

Plan Administrator Ordered to Pay \$1.85 Million for Failure to Send Timely COBRA Election Notices

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Visteon Corp., the plan administrator of its group health plans, was recently ordered to pay \$1.85 million in statutory penalties, plus attorneys' fees, as a result of a class action lawsuit charging Visteon with violating applicable COBRA law when Visteon failed to send timely COBRA election notices to certain former employees and their family members. The federal district court for the Southern District of Indiana ruled that Visteon failed to (a) provide oversight to third-party administrators responsible for COBRA administration, (b) audit whether individuals entitled to COBRA notices were being sent them on a timely basis, and (c) adopt policies for addressing inquiries regarding COBRA, thus causing harm to the plaintiffs. As the plan administrator, Visteon was held responsible for the acts and omissions of its third-party COBRA service providers. *Pierce v. Visteon Corp.*, No. 1:05-cv-01325-LJM-DKL (S.D. Ind. June 25, 2013). The opinion can be found [here](#).