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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Richmond Division

ALICE VANN DAGENHARDT,

Plaintiff,

v.

UNUM LIFE INSURANCE COMPANY
OF AMERICA,

Defendant.

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C.A. 3:92CV157

MEMORANDUM OPINION

This matter is before the Court on the motion of UNUM Life Insurance Company of America ("UNUM") to dismiss plaintiff Alice Vann Dagenhardt's ("Dagenhardt's") claims for extra-contractual and punitive damages, pursuant to Fed. R. Civ. P. 12(b)(6). For the reasons discussed below, UNUM's motion to dismiss the plaintiff's claims for extra-contractual and punitive damages will be GRANTED.

FACTS

The instant action arises out of UNUM's denial of the plaintiff's claim for long term disability benefits. The claim for benefits was made under a group long term disability insurance policy issued by UNUM to Dagenhardt's employer, American Security Group, as part of its welfare benefit plan. On February 5, 1992, Dagenhardt filed suit in state court alleging state law claims for wrongful denial of benefits, breach of contract, breach of fiduciary duty, and bad faith. The complaint prays for \$100,000.00 in compensatory damages and \$1,000,000.00 in punitive damages. On

March 6, 1992, UNUM removed the case to this Court on the basis of ERISA preemption.¹

DISCUSSION

With certain exceptions not implicated by the present case,² ERISA preempts "any and all State laws insofar as they may now or hereafter relate to any employee benefit plan." 29 U.S.C. § 1144(a); see also Shaw v. Delta Air Lines, Inc., 463 U.S. 85, 96-97 (1983); Powell v. Chesapeake & Potomac Tel. Co., 780 F.2d 419, 421 (4th Cir. 1985) ("Given the 'unparalleled breadth' of the preemption clause, . . ., and the broad remedial policy of ERISA, we hold that state laws, insofar as they are invoked by beneficiaries claiming relief for injuries arising out of the administration of employee benefit plans, 'relate to' such plans and, absent an applicable exception, are preempted by ERISA."

¹ The plaintiff has filed no official response to the instant motion. Counsel for the plaintiff has notified the Court that his decision not to respond is motivated by the clear legal basis for the defendant's motion. Since the plaintiff has never filed a response explicitly consenting to the defendant's motion, the Court will review the defendant's motion to ensure that it has a basis in law.

² The plaintiff has not argued that the state law causes of action on which suit was originally based are saved by ERISA's "saving clause." See 29 U.S.C. § 1144(b)(2)(A). Such a claim, however, would be foreclosed by Pilot Life Ins. Co. v. Dedeaux, 481 U.S. 41 (1987) ("Considering the common-sense understanding of the saving clause, the McCarran-Ferguson Act factors defining the business of insurance, and, most importantly, the clear expression of congressional intent that ERISA's civil enforcement scheme be exclusive, we conclude that Dedeaux's state law suit asserting improper processing of a claim for benefits under an ERISA-regulated plan is not saved by § 514(b)(2)(A), and therefore is preempted by § 514(a).").

(citation omitted)), cert. denied, 476 U.S. 1170 (1986). As such, the exclusive remedy for a denial of a claim for benefits is that provided by ERISA. See Pilot Life Ins. Co. v. Dedeaux, 481 U.S. 41, 52 (1987) (adopting the Solicitor General's argument "that Congress clearly expressed an intent that the civil enforcement provisions of ERISA § 502(a) be the exclusive vehicle for actions by ERISA-plan participants and beneficiaries asserting improper processing of a claim for benefits"). The plaintiff has pointed to no provision of ERISA, and the Court is unaware of any such provision, that would allow a plaintiff suing on the denial of benefits to recover extra-contractual or punitive damages. See Massachusetts Mutual Life Ins. Co. v. Russell, 473 U.S. 134, 148 (1985) ("[T]he relevant text of ERISA, the structure of the entire statute, and its legislative history all support the conclusion that in § 409(a) Congress did not provide, and did not intend the judiciary to imply, a cause of action for extra-contractual damages caused by improper or untimely processing of benefit claims."); Powell, 780 F.2d at 424 ("[T]he provision for 'other appropriate equitable relief,' [§ 502(a)(3)(B)], whatever it embraces, cannot be held to authorize extracontractual or punitive damages for the breach of a plan administrator's fiduciary duties under ERISA.").

Let the Clerk send a copy of this Memorandum Opinion and the accompanying Order to all counsel of record.

DATE

UNITED STATES DISTRICT JUDGE