United States Court of Appeals for the Fifth Circuit

United States Court of Appeals
Fifth Circuit
FILED
March 11, 2024
Lyle W. Cayce
Clerk

No. 23-20289

Deepa Krishna,

Plaintiff—Appellant,

versus

National Union Fire Insurance Company of Pittsburgh, Pennsylvania,

Defendant—Appellee.

Appeal from the United States District Court
for the Southern District of Texas
USDC No. 4:22-CV-3423

Before Stewart, Clement, and Ho, *Circuit Judges*.

Per Curiam:[*]

Deepa Krishna ("Krishna") appeals the district court's dismissal of her claim for benefits under Section 502(a)(1)(B) of the Employee Retirement Income Security Act of 1974 ("ERISA") and grant of summary judgment to National Union Fire Insurance Company of Pittsburgh, Pennsylvania ("NUFIC"). For the following reasons, we AFFIRM.

[*] This opinion is not designated for publication. *See* 5th Cir. R. 47.5.

I. FACTUAL & PROCEDURAL BACKGROUND

Krishna is the widow of Karthik Balakrishnan ("Decedent"). In August 2019, Honeywell International, Inc. ("Honeywell") hired Decedent as a Senior Strategic Marketing Manager based in Morristown, New Jersey. For its employees, Honeywell sponsored the Honeywell International, Inc. Benefit Plan ("Plan"), which was maintained by Honeywell and governed by ERISA. The Plan included Business Travel Accident ("BTA")[1] insurance provided by Appellee NUFIC. As a member of the Plan, Decedent enjoyed BTA insurance coverage valued at five times his base salary of $198,000 for a total amount of $990,000.

In March 2020, Honeywell buildings in Morristown, New Jersey closed because of the COVID-19 pandemic, and Decedent's work became remote. In 2020, Honeywell also stopped all non-essential business travel for its employees due to the pandemic. According to a March 2021 email from Honeywell Director of Risk Management Fionnuala Delahunty, "[a]ny Business Travel would have fallen under Honeywell's [Travel and Expense] Policy and there is no approved business travel approved for [Decedent] in 2020 (due to COVID, all non-essential business travel stopped)." On October 25, 2020, Decedent was a passenger in a small private airplane flying between airports within Texas. Tragically, the airplane crashed, killing Decedent and the pilot.

On February 5, 2021, Krishna submitted a BTA claim to AIG Claims, Inc. ("AIG Claims"), seeking to recover BTA insurance benefits following

[1] BTA insurance benefits are a specialized type of accident insurance that typically provides coverage during business travel.

the death of her husband. AIG Claims is NUFIC's authorized claims administrator.[2]

In the initiation of her claim for BTA insurance benefits, Krishna communicated that Decedent had "passed away during a business trip in Texas." According to Krishna, after the New Jersey Honeywell office closed, Decedent decided to work out of Texas "long term" during the pandemic.[3] Specifically, she detailed that "[Decedent] passed away during a business trip in Texas. [He] had been working in Texas long term due to COVID. He was flying within Texas when the accident happened, the plane [] crashed and there [were] no mortal remains left to bring back to NJ." During NUFIC's investigation of the claim, however, Honeywell informed NUFIC that Decedent was not on a business trip at the time of his death.

On April 19, 2021, NUFIC (through AIG Claims) issued a denial letter, explaining that "Hazard H12[4] would not apply as Honeywell advised us [Decedent] was not on a business trip at the time of loss." Nearly a year later, on April 15, 2022, Krishna submitted an Administrative Appeal. AIG Claims designated the Wagner Law Group ("Wagner") to serve as the ERISA Appeals Committee. On November 1, 2022—two hundred days after Krishna had filed her appeal—NUFIC (through AIG Claims) again issued a

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[2] The Appeal Denial Letter stated that "[t]his correspondence is sent by AIG Claims, Inc. as authorized claims administrator for [NUFIC]."

[3] In a letter to AIG Claims dated April 15, 2022, Krishna noted that Decedent had the "authority" to make many of his own decisions regarding how to accomplish the objectives of his role with Honeywell.

[4] Under the Plan's Policy, the applicable "Hazard" for coverage is dependent on the specific class of employee. For Class 2 employees, like Decedent, the Policy includes ten Hazards. Hazard H-12 of the Policy provides for "24-HOUR ACCIDENT PROTECTION WHILE ON A TRIP (Business Only)" Hazard H-12 was raised during the administrative review, and Krishna relies on Hazard H-12 as a basis for coverage.

denial letter. The denial letter explained that "Honeywell [had] advised [the insurer] that no business travel was approved for [Decedent] in 2020 and that due to COVID, all non-essential business travel stopped in 2020," and because "[Decedent] was not on an authorized business trip for Honeywell . . . the accident precludes coverage under the [policy's] terms[.]"

On October 5, 2022, Krishna sued NUFIC in federal court, alleging that NUFIC violated ERISA procedures by providing an untimely appeal denial. In her complaint, she contends that ERISA claim regulations under 29 C.F.R. § 2560.503-1(i)(1)(i) mandated a written appeal decision within 60 days of her appeal. On April 7, 2023, NUFIC moved for summary judgment, and Krishna moved for judgment on the administrative record. On June 8, 2023, the district court granted summary judgment in favor of NUFIC on Krishna's claim for BTA insurance benefits arising from Decedent's death. Krishna timely appealed.

II. STANDARD OF REVIEW

In ERISA cases, we review the district court's grant of summary judgment de novo, "applying the same standard as the district court." *Wade v. Hewlett-Packard Dev. Co.*, 493 F.3d 533, 537 (5th Cir. 2007) (citations omitted). "A grant of summary judgment is proper if there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law." *Id.* (citing Fed. R. Civ. P. 56(a)). In determining whether a genuine issue of material fact exists, "we review the evidence and inferences drawn from that evidence in the light most favorable to the non-moving party." *Id.* (citation omitted). "Whether the district court applied the correct standard of review is a question of law that we review de novo. *Id.* (citation omitted).

III. DISCUSSION

On appeal, Krishna argues that (1) the district court erred in applying the abuse of discretion standard of review to the administrator's decision; (2) the terms of the Plan's Policy were ambiguous; and (3) the district court erred in concluding that she received a full and fair review. We are unpersuaded by each of these arguments.

A. The District Court's Standard of Review

First, Krishna challenges the standard of review the district court used in analyzing NUFIC's denial of her claim. The district court reviewed the denial for an abuse of discretion while Krishna asserts that the district court should have reviewed the denial using the de novo standard of review. Krishna argues that the district court should have reviewed her denial de novo because (1) neither AIG Claims nor Wagner were authorized to decide the claim and (2) NUFIC demonstrated its "utter disregard" of the purpose of the Plan through various violations of the ERISA regulations.

To determine whether the district court applied the proper standard of review, we must consider whether the terms of the Plan granted NUFIC the authority to interpret the Plan and make benefits decisions. "Where a benefits plan 'gives the administrator or fiduciary discretionary authority to determine eligibility for benefits or to construe the terms of the plan,' . . . the reviewing court applies an abuse of discretion standard to the plan administrator's decision to deny benefits." *Anderson v. Cytec Indus., Inc.*, 619 F.3d 505, 512 (5th Cir. 2010) (per curiam) (citing *Firestone Tire & Rubber Co. v. Bruch*, 489 U.S. 101, 115 (1989)). "Absent potential wholesale or flagrant violations that evidence an 'utter disregard of the underlying purpose of the plan,' this court does not heighten the standard of review from abuse of discretion to de novo." *Atkins v. Bert Bell/Pete Rozelle NFL Player Ret. Plan*,

694 F.3d 557, 567 (5th Cir. 2012) (citing *Lafleur v. La. Health Serv. & Indem. Co.*, 563 F.3d 148, 159 (5th Cir. 2009)).

While Krishna concedes that "the Plan expressly delegated claim decisions and discretion to [NUFIC], as benefit provider," she asserts that the applicable standard of review is de novo because NUFIC failed to comply with ERISA claims procedures.[5] Krishna also contends that NUFIC violated the delegation provisions of the Plan's own governing documents when it redelegated the initial claim decision to AIG Claims, which then redelegated the appeal decision to Wagner, thus violating 29 U.S.C. § 1105(c)(1).[6] We disagree.

Relying on *Anderson*, the district court explained:

> Because the Plan vests [NUFIC] with discretionary authority to determine eligibility for benefits, because the letter of decision for [Krishna]'s administrative appeal states that it was sent on behalf of [NUFIC], and because neither hiring of a third-party law firm to act as the ERISA Appeal Committee nor a delay in issuing a decision on [Krishna]'s appeal rises to the level of showing potential wholesale or flagrant violations that evidence an utter disregard of the underlying purpose of the

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[5] According to Krishna, the purported violations include "an untimely appeal decision; both denial letters failing to sufficiently reference the specific relevant Policy provisions, failing to sufficiently provide the specific reasons for the denial that were ultimately argued in court, rendering those arguments prohibited post-hoc rationales, and failing [to] inform [Krishna] of her right to receive copies of documents relevant to the claim decision; failure to produce all relevant claim documents to [Krishna] in an effort to conceal that the unauthorized law firm decided the appeal denial; and misleading [Krishna] about the progress of her appeal decision when she inquired."

[6] "The instrument under which a plan is maintained may expressly provide for procedures (A) for allocating fiduciary responsibilities (other than trustee responsibilities) among named fiduciaries, and (B) for named fiduciaries to designate persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the plan." 29 U.S.C. § 1105(c)(1).

> plan that might require a heightened standard of review, the court concludes that the applicable standard of review is abuse of discretion.

In this instant matter, Honeywell is the Plan Administrator. The Plan explicitly states that "the Plan Administrator has the authority to delegate certain of its powers and duties to a third party." Thus, Honeywell has the authority to delegate to NUFIC. And our case law permits NUFIC to use third parties to conduct ministerial tasks. *See, e.g.*, *Humana Health Plan, Inc. v. Nguyen*, 785 F.3d 1023, 1026–28 (5th Cir. 2015) (noting that the "[p]reparation of reports concerning participants' benefits" and "[m]aking recommendations to others for decisions with respect to plan administration" are examples of ministerial tasks). NUFIC did exactly that, utilizing Wagner as part of its review of the appeal of adverse benefit determinations and using AIG Claims to issue the denial letters. The distinction in roles is evidenced by the denial letters, which "expressly state that they were sent on NUFIC's behalf, underscoring that NUFIC—not AIG Claims or Wagner—had the final decision." The ministerial task exception allows for the actions of AIG Claims and Wagner and, therefore, they do not run afoul of the ERISA statute. Furthermore, our review of the record supports the district court's conclusion that the Plan gives NUFIC discretionary authority to determine eligibility for benefits. Thus, we hold that the district court correctly reviewed the denial for abuse of discretion. *Anderson*, 619 F.3d at 512.

B. Ambiguity

Next, Krishna argues that the district court erred in concluding that the Plan's Policy was unambiguous and, consequently, that the doctrine of *contra proferentem* did not apply. More specifically, she asserts that interpreting "on assignment by" to mean requiring "pre-authorization, or specific instruction from Honeywell to Decedent to travel to Texas when he

did" was an unfair interpretation of the Plan's Policy when Decedent's "work assignment included travel to Texas as needed, and his role and authority included making many decisions about how to accomplish his objectives there." We disagree.

"A contract is unambiguous if it can be given a definite or certain legal meaning . . . after applying ordinary principles of contract interpretation." *Ramirez v. United of Omaha Life Ins. Co.*, 872 F.3d 721, 727–28 (5th Cir. 2017). The pertinent language of the Policy reads as follows:

> Trip means a trip taken by an Insured which begins when the Insured leaves his or her residence or place of regular employment for the purpose of going on the trip (whichever occurs last), and is deemed to end when the Insured returns from the trip to his or her residence or place of regular employment (whichever occurs first). However, the trip is deemed to exclude any period of time during which the Insured is on an authorized leave of absence or vacation or travel to and from the Insured's place of regular employment. "Trip" does not include the Insured's trip to a location that extends for more than 365 days. Such a trip will be deemed to change the Insured's residence or place of regular employment to the new location.
>
> While on the Business of the Participating Organization means while on assignment by or at the direction of the Participating Organization for the purpose of furthering the business of the Participating Organization, but does not include any period of time: (1) while the Insured Person is working at his or her regular place of employment; (2) during the course of everyday travel to and from work; or (3) during an authorized leave of absence or vacation. If an Insured's assignment to a location exceeds 365 days, such assignment will be deemed to change the Insured's residence and regular place of employment to the new location.

The district court determined that NUFIC's interpretation of "on assignment by" to mean requiring Honeywell's knowledge and approval was not unreasonable and Krishna did not argue otherwise. After applying the ordinary principles of contract interpretation to the Plan's language, the district court held that no ambiguity remained.

This court has previously determined that "when reviewing an administrator's interpretation of plan terms for an abuse of discretion, the doctrine of *contra proferent[e]m*—which provides that ambiguous terms are construed in favor of the insured—is inapplicable." *Smith v. Life Ins. Co. of N. Am.*, 459 F. App'x 480, 484 (5th Cir. 2012) (citing *High v. E-Systems, Inc.*, 459 F.3d 573, 578–79 (5th Cir. 2006)). We have already concluded that the district court properly used the abuse of discretion standard of review. Furthermore, the Plan explicitly gives the Plan Administrator the discretionary authority "to interpret the Plan and resolve ambiguities therein." Accordingly, even if the Plan *was* ambiguous, which we do not believe it to be, NUFIC's interpretation was a reasonable exercise of its "interpretive discretion." *Smith*, 459 F. App'x at 484.

C. Full and Fair Review

Finally, Krishna argues that her administrative appeal was untimely decided in violation of 29 C.F.R. § 2560.503-1(i)(1)(i), therefore depriving her of a full and fair review. NUFIC counters that the decision of the ERISA Appeals Committee was timely and, alternatively, "even if the decision was delayed, the delay would relate to exhaustion of administrative remedies (which permit her to proceed with litigation rather than waiting for a decision in the administrative claims process) and not the validity of the discretionary clause." We agree with NUFIC.

Challenges to ERISA procedures are evaluated under the substantial compliance standard. *See Robinson v. Aetna Life Ins. Co.*, 443 F.3d 389, 392

(5th Cir. 2006) (citing *Lacy v. Fulbright & Jaworski*, 405 F.3d 254, 257 (5th Cir. 2005)). "This means that '[t]echnical noncompliance' with ERISA procedures 'will be excused' so long as the purposes of [29 U.S.C.] § 1133 have been fulfilled." *Id.* at 393 (citing *White v. Aetna Life Ins. Co.*, 210 F.3d 412, 414 (D.C. Cir. 2000)). Krishna asserts that 29 C.F.R. § 2560.503–1(i)(1)(i) "mandated [NUFIC]'s written appeal decision within 60 days of her appeal, or by June 15, 2022." NUFIC contends that "Krishna was kept informed of the status of her appeal and the decision of the [ERISA Appeals Committee] was issued on November 1, 2022." As the district court notes, Krishna provided no evidence that the purported delay harmed her. Additionally, "the denial letter that she received stated that the decision was made '[a]fter a careful review of the claim, the appeal letter and supporting documents submitted by Ms. Krishna, and the information provided by Honeywell.'" Furthermore, the district court observed:

> [O]n October 5, 2022—almost a month before her appeal was denied on November 1, 2022—[Krishna] took advantage of the remedy for failure to comply with ERISA procedures provided by 29 C.F.R. § 2560.503–1(l) by filing this action based on the assertion that [NUFIC] failed to timely issue and deliver a decision on [Krishna]'s appeal as required by applicable ERISA claim regulations, entitling Plaintiff to file this suit.

Thus, even if we concede that the appeal denial was untimely, because Krishna availed herself of the option to address the purported delay by filing this lawsuit, we cannot say that she was deprived of a full and fair review. Further, because NUFIC provided written notice of the denial, the decision incorporated consideration of all the evidence submitted in support of the appeal, and the specific reasons for denial were stated, we hold that the district court properly determined that NUFIC substantially complied with ERISA procedures. 29 C.F.R. § 2560.503–1(l).

In light of this record, we hold that Krishna has failed to raise a genuine dispute of material fact that NUFIC abused its discretion in denying her claim seeking to recover BTA insurance benefits.

IV. CONCLUSION

For the foregoing reasons, the district court's grant of summary judgment in favor of NUFIC is AFFIRMED.