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9TH CIRCUIT COURT OF APPEALS UPHOLDS RELIANCE STANDARD INSURANCE COMPANY'S DENIAL OF DISABILITY BENEFITS AND INTERPRETATION OF THE 24 MONTH MENTAL NERVOUS LIMITATION

Expert Article by **Gregory Michael Dell**

Reliance Standard Insurance Company's decision to terminate a disability claimant's long term disability benefits as a result of a 24 month "mental nervous limitations" clause has been upheld by the Ninth Circuit Court of Appeals. It is very common to see disability insurance companies denying claims as a result of a 24 month mental nervous limitation. In the recent 9th circuit court of appeals case of *Maurer v. Reliance Standard Life Insurance Company*, the plaintiff claimed that Reliance Standard abused their discretion by terminating long term disability benefits. The Appellate court stated,

"[Reliance Standard] permissibly interpreted the "mental/nervous" limitation to preclude coverage when, in the absence of a mental or nervous disorder, a beneficiary would be physically capable of working. Defendant's interpretation is consistent with the Plan's limitation of coverage for disabilities that are "caused by or contributed to" by mental disorders."

No Strong Evidence of A Physically Disabling Condition In the Record

The court clarified that the doctrine of contra proferentem does not apply when the fiduciary/ plan administrator has been granted explicit discretion to interpret the plan. This case is very fact specific as three of the claimant's physicians provided medical records stating that the claimant was disabled by psychological issues despite physical complaints. One of the physicians stated, "without psychiatric elements, the patient would be capable of work activity." A different treating doctor found that the claimant's "physical problems caused her mood disorder." Reliance Standard argued that mental disorder "contributed to" her disability and therefore the claim is limited to 24 months. This is a unique case as based upon the facts provided in the District Court and Appellate Court decisions it appears that the claimant did not have strong medical evidence or documentation to support a primary disabling condition which was physical. If the claimant had an underlying disabling condition which was physical in nature and had psychiatric limits which were secondary, it is highly unlikely that Reliance Standard would have been unable to rely on the 24 month mental nervous limitation.

Psychiatric Complaints Secondary to a Physically Disabling Condition Should not be Subject to Mental Nervous Limitation

As a disability insurance lawyer that has represented thousands of claimants, it is very common to see a psychiatric condition such as depression or cognitive difficulties which are secondary to a physical limitation. It is normal for a claimant to be depressed or anxious over the reality that they have lost their

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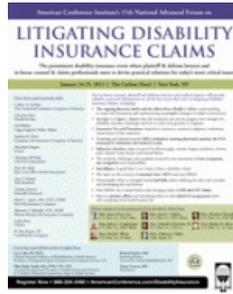
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- December 2008
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inability to work and enjoyment of life due to a disabling condition. When dealing with a disability insurance claim, claimants with a physical disability must make sure that their doctors are documenting any psychiatric limitations as secondary to the physical. As long as the physical condition on its own is disabling, then the fact that a psychiatric condition is also disabling should not subject a claimant to a 24 month limitation.

More Disability Insurance blog posts from this author can be found here:
<http://www.diattorney.com/our-blog/>

ACI event related to this topic

ACI's 15th Annual Conference on Litigating Disability Insurance Claims



When: Thursday, January 24 to Friday, January 25, 2013

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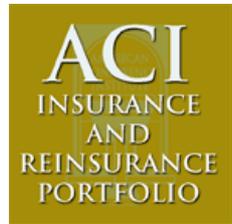
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