

Sixth Circuit Upholds Denial of Accidental Death Benefits Under “Substantial Factor” Test

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In *Duncan v. Minnesota Life Ins. Co.*, 2021 U.S. App. LEXIS 4069 (6th Cir. Feb. 10, 2021), the Sixth Circuit held that an insurer properly denied accidental death benefits on the grounds that a patient’s leukemia caused the fall that resulted in his death. The case provides an interesting illustration of how to analyze causation under an accidental death policy where an underlying condition directly or indirectly results in a fatal accident.

Paul McVay, a participant in his employer’s ERISA benefits plan (Plan), suffered from leukemia and lower-body weakness. These conditions restricted McVay’s mobility, and his gait was unsteady when he tried to walk. In November 2010, McVay experienced a series of falls and was admitted to the hospital twice. While receiving treatment, McVay died after falling from his wheelchair in a hospital hallway and suffered a traumatic brain injury. A forensic pathologist conducted an autopsy and concluded that the cause of death was a head injury caused by the fall. The pathologist noted that the death was “contributed to by leukemia.”

McVay’s beneficiary under the Plan, Janet Freel, subsequently made a claim for life insurance and accidental death benefits. The insurer, Minnesota Life Insurance Company (Minnesota Life), approved Freel’s life insurance claim, but denied accidental death benefits because it determined that McVay’s leukemia and weakness indirectly caused his death. Specifically, Minnesota Life relied on an accidental death rider in the subject policy which provided that “[i]n no event will we pay accidental death . . . benefit where the certificate holder’s death . . . results from *or is caused directly or indirectly by* . . . bodily or mental infirmity, illness or disease[.]” (Emphasis added).

After exhausting their administrative remedies, Charles Duncan, the executor of McVay’s estate, and Freel (collectively “plaintiffs”) filed suit in an Ohio district court alleging that Minnesota Life improperly denied the accidental death benefits and, further, that the company violated ERISA’s procedural requirements. The district court ruled in favor of Minnesota Life on both issues, applying a discretionary standard of review.

Plaintiffs appealed to the Sixth Circuit, arguing that a pre-existing condition that causes an accident that causes a person’s death should not constitute a contributing factor to that person’s death under the policy. The court

disagreed, stating that plaintiffs' argument might prevail where a policy precludes benefits only if a pre-existing condition contributed to a death in a "direct" way. The Minnesota Life policy rider, however, required only a showing of indirect causation.

The court based its analysis, in part, on the "substantial factor test," which states that a pre-existing infirmity or disease is not to be considered a cause unless it substantially contributes to the disability or loss. *See Adkins v. Reliance Standard Life Insurance Company*, 917 F.2d 794, 797 (4th Cir. 1990). The court held that Minnesota Life had substantial evidence to satisfy this test in the form of an autopsy report, death certificate, and medical records, all of which pointed to leukemia as a cause of the fall.

Furthermore, the court declined to determine whether Minnesota Life substantially complied with the ERISA procedural requirements because it found that remanding the case to the insurer would constitute a useless formality as plaintiffs had failed to show how they were prejudiced by the alleged ERISA violations.

Accordingly, the Sixth Circuit affirmed the district court's decision in favor of Minnesota Life.

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