

Best Practices in Administering Benefit Claims #6 – Distinguishing an Inquiry from a Claim

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It's Week #6, and we have turned the corner in our Top 10 Best Practices in Administering Benefit Claims. In case you missed any (or all) of the first five best practices, links to each of them appear below. This week we discuss how to distinguish an inquiry from a claim for benefits.

The claims and appeals procedures only apply insofar as there has been a "claim for benefits" under the plan. In general, a "claim for benefits" is a request for benefits made by a claimant in accordance with the plan's reasonable procedures for filing such claims. Ideally, a participant or beneficiary would specify in their communications that s/he is making a "claim for benefits" or otherwise asserting that s/he is entitled to some benefits under the plan. Unfortunately, participants and beneficiaries (and even their authorized representatives) are often less than clear about what it is they are seeking.

The U.S. Department of Labor is of the view that mere casual inquiries about benefits or when benefits might be paid do not qualify as formal "claims for benefits." Similarly, an individual's question concerning his/her eligibility for coverage and the administrator's subsequent eligibility determination is *not* subject to the claims and appeals procedures. On the other hand, if an individual files a claim for benefits and the administrator denies that claim on the basis of ineligibility, then the claims and appeals procedures are triggered even though the denial is based on an eligibility issue.

Careful consideration should be given to whether a participant's (or beneficiary's) communication triggers the plan's claims process. For instance, does the plan require claims to be in writing, or are telephonic claims accepted? Has the participant or beneficiary submitted all required documentation with the claim? Should an inquiry, although not technically a claim, be processed through the plan's claims procedures? When is it appropriate to do so? Are there strategic reasons to do so in the particular situation? There is no one-size-fits-all answer to many of these considerations and each inquiry and claim should be evaluated on its own facts, while ensuring that there is consistency in the way inquiries and claims are managed.

In our next best practice, we'll discuss the "fiduciary exception" to the attorney-client privilege.

You can find our previously published best practices here:

- [#1 – Know \(and Read\) Your Plan Document](#)
- [#2 – Know \(and Read\) Your SPD](#)
- [#3 – Dealing with Benefit Assignments](#)
- [#4 – Know \(and Understand\) the Law: Full and Fair Review](#)
- [#5 – Establishing \(and Following\) a Good Claims Process](#)

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