

Best Practices in Administering Benefit Claims #10 – The Three C’s

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We conclude our blog series on best practices in administering benefit claims with the three C’s: *be clear, be consistent, and communicate*. The key to effective benefit claim administration ultimately boils down to drafting and maintaining clear plan documents, implementing and enforcing plan terms consistently, and communicating clearly with plan participants and beneficiaries.

First, all documents, from the plan document and summary plan description to the claims procedures, should be drafted as clearly as possible. That seems obvious and simple enough, but it is not always accomplished. When the documents are clear in their meanings, plan fiduciaries and administrators, as well as plan participants and beneficiaries, can rest easier knowing that the plan is being properly administered in accordance with its terms.

Second, plan terms should be implemented and enforced consistently. This is particularly true when fiduciaries have to interpret the plan terms. Given the importance of consistent plan interpretation, fiduciaries should consider appropriate documentation of their decisions. This can help minimize the risk of future, unintended inconsistent interpretations.

Third, the importance of clear communications with plan participants and beneficiaries cannot be overstated. Clear communications can go a long way in providing comfort to participants and beneficiaries that they have an accurate understanding of the benefits provided under the plan (and those that are not).

Keeping in mind the three C’s should help reduce the risk of participant claims and/or litigation about whether the participant is receiving the benefits due under the plan. If, however, litigation arises, plan sponsors and fiduciaries will be able to take comfort in the fact that they have clear plan documents, that have been consistently enforced, and that have been clearly communicated to participants, all of which will aid in the defense of the litigation.

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](#)
- [#6 – Distinguishing an Inquiry from a Claim](#)
- [#7 – Understanding Attorney-Client Privilege in the Benefits Claims Process](#)
- [#8 – Facing Litigation of Benefit Claims](#)
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- **Russell L. Hirschhorn**
Partner