IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

MARLENE M.C. WHITE,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civ. No. 02-1364-SLR
	)	
HAZEL R. WHITE and E.I. DU PONT DE NEMOURS AND COMPANY,	)	
	)	
Defendants.	)	

David J. Ferry, Jr., Esquire, Rick S. Miller, Esquire of Ferry, Joseph & Pearce, Wilmington Delaware. Counsel for Plaintiff.

Mary E. Copper, Esquire, Kathleen Furey McDonough, Esquire, Erica L. Niezgoda, Esquire of Potter Anderson & Corroon, Wilmington, Delaware. Counsel for Defendant E.I. du Pont de Nemours and Company.

MEMORANDUM OPINION

Dated: January 18, 2005
Wilmington, Delaware

ROBINSON, Chief Judge

I. INTRODUCTION

On July 2, 2002, plaintiff filed a lawsuit, individually and as guardian of Mia J. White ("Mia"), in the Court of Chancery of the State of Delaware, alleging defendant E.I. du Pont de Nemours and Company ("Dupont") violated the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq., when it disbursed survivor and life insurance benefits to defendant Hazel White. On August 8, 2002, the case was removed from the Court of Chancery to this court. (D.I. 1) On September 13, 2002, the proceedings were stayed while plaintiff sought administrative remedies as required by ERISA. (D.I. 5) On January 12, 2004, plaintiff filed an amended complaint. In February 2004, the court vacated the order staying the proceedings, as plaintiff had exhausted her administrative remedies. (D.I. 27)

Now pending before the court are defendant Dupont's and plaintiff's cross motions for summary judgment. (D.I. 40, 46) For the reasons stated, Dupont's motion for summary judgment is granted.

II. BACKGROUND

Plaintiff is the mother of Mia, the minor child of plaintiff and Donald White ("decedent"). (D.I. 42 at A103) Plaintiff and decedent were married for ten years before their divorce in 1996. (Id.) After the divorce, plaintiff retained full custody of Mia, and decedent had visitation rights. (Id. at A104)

Decedent worked for Dupont until he was terminated in August of 1999. (Id. at A43) As part of his termination, decedent was entitled to employee benefits under a pension plan and life insurance plan. (Id. at A3) These plans are managed by a third party, DuPont Connection. (Id. at A139)

Decedent was diagnosed with cancer in 1999. (Id. at A44) Decedent married defendant Hazel White on April 7, 2000. (Id. at A46) Around June of 2000, decedent submitted forms to DuPont Connection designating defendant Hazel White and Mia as equal beneficiaries of his life insurance plan. (Id. at A139) Decedent, however, did not have the designation witnessed, despite the line for a witness's signature below his own signature. (Id. at A139) The form's instructions directed decedent to "complete and return" the form.[1] (Id.) At the same time, decedent submitted designation forms for the pension plan; this form also was not witnessed. (Id. at A142) DuPont Connections denied both designations. (Id. at A145) On July 14, 2000, DuPont Connection contacted decedent and advised him that the designations had been denied because the forms were not witnessed.[2] (D.I. 42 at A145) On July 21, 2000, decedent

[1]The general information provided to employees about the plan stated that an employee could assign a beneficiary by "completing a separate beneficiary designation form." (D.I. 44, ex. A at 44)

[2]Defendant DuPont claims that decedent was notified of the denial via letter that included new designation forms. (D.I. 41

executed a new designation form for his pension plan, but a completed designation form for his life insurance plan was never received by DuPont Connection. (Id. at A144) In August of 2000, decedent told plaintiff he was leaving Mia half of his insurance money. (Id. at A110)

In July of 2001, decedent died. On August 13, 2001, the benefits of the life insurance policy were paid to defendant Hazel White.[3] (Id. at A151) On September 24, 2002, plaintiff appealed the payment with the DuPont Board of Benefit and Appeals, arguing that Mia was entitled to half of the life insurance benefits. (Id. at A158) In August of 2003, the board affirmed the full payment of benefits to defendant Hazel White because a complete beneficiary form designating Mia as a beneficiary of the plan had never been received. (Id. at A161)

III. STANDARD OF REVIEW

A court shall grant summary judgment only if "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no

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at 6) Plaintiff contests this assertion, arguing that defendant DuPont cannot produce a copy of the letter, prove that the letter was actually ever sent or show which forms were included in the letter. (D.I. 44 at 14) In addition, plaintiff cites the fact that neither defendant Hazel White, nor decedent's step son who eventually witnessed a pension designation form, had seen a designation form for the life insurance policy. (D.I. 42 at 58, 34)

[3]The parties dispute the value of the life insurance policy. (D.I. 41 at 7)

genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). The moving party bears the burden of proving that no genuine issue of material fact exists. See Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586 n.10 (1986). "Facts that could alter the outcome are 'material,' and disputes are 'genuine' if evidence exists from which a rational person could conclude that the position of the person with the burden of proof on the disputed issue is correct." Horowitz v. Fed. Kemper Life Assurance Co., 57 F.3d 300, 302 n.1 (3d Cir. 1995) (internal citations omitted). If the moving party has demonstrated an absence of material fact, the nonmoving party then "must come forward with 'specific facts showing that there is a genuine issue for trial.'" Matsushita, 475 U.S. at 587 (quoting Fed. R. Civ. P. 56(e)). The court will "view the underlying facts and all reasonable inferences therefrom in the light most favorable to the party opposing the motion." Pa. Coal Ass'n v. Babbitt, 63 F.3d 231, 236 (3d Cir. 1995). The mere existence of some evidence in support of the nonmoving party, however, will not be sufficient for denial of a motion for summary judgment; there must be enough evidence to enable a jury reasonably to find for the nonmoving party on that issue. See Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249 (1986). If the nonmoving party fails to make a sufficient showing on an essential element of its

case with respect to which it has the burden of proof, the moving party is entitled to judgment as a matter of law. See Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986).

IV. DISCUSSION

ERISA allows a beneficiary to bring a civil action against an administrator or fiduciary to recover benefits due under the terms of a benefit plan. See 29 U.S.C. § 1132(a)(1)(B).[4] If a plan grants discretionary authority to an administrator or fiduciary, a court must apply the arbitrary and capricious standard when reviewing administrative decisions. Under this standard, the plaintiff has the burden of showing that the administrator's denial of benefits was "without reason, unsupported by substantial evidence or erroneous as a matter of law." See Pinto v. Reliance Standard Life Ins. Co., 214 F.3d 377, 392 (3d Cir. 2000). "A decision is supported by 'substantial evidence if there is sufficient evidence for a reasonable person to agree with the decision.'" Courson v. Bert Bell NFL Player Ret. Plan, 214 F.3d 136, 142 (3d Cir. 2000).

In this case, the parties are in agreement that the plan at issue gave DuPont Connection the authority to determine

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[4]The statute states:
"A civil action may be brought – (1) by a participant or beneficiary - . . . (B) to recover benefits due to him under the terms of his plan, to enforce his rights under the terms of the plan, or to clarify his rights to future benefits under the terms of the plan."
29 U.S.C. § 1132(a)(1)(B).

eligibility, thus, this court applies an arbitrary and capricious standard. (D.I. 44 at 6) Plaintiff asserts that defendant DuPont violated ERISA because its refusal to give 50% of the life insurance plan benefits to Mia was erroneous as a matter of law.[5]

Under Delaware law,[6] an insured substantially complies with plan requirements when he "has done all that is reasonably possible or necessary for him to do in order to alter an insurance policy." Greene v. Connecticut Mut. Life Ins. Co., No. 4869, 1977 WL 5189 (Del. Ch. March 25, 1977). Plaintiff claims DuPont erred in not concluding that decedent had made Mia a beneficiary when he substantially complied with the change of beneficiary requirements.

In this case there is evidence to support Dupont Connection's finding that decedent did not substantially comply with the change of beneficiary requirements. Decedent made an effort to correct his mistake with respect to the pension policy,

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[5]Plaintiff does not contest that Mia is only entitled to benefits under the pension plan if defendant Hazel White, the surviving spouse, dies before Mia is 21 years old. Therefore, defendant DuPont's motion for summary judgment is granted with respect to plaintiff's claims that Mia is currently entitled to benefits under the pension plan.

[6]The parties briefly mention that, whether the issue of substantial compliance is governed by state or federal law, varies by circuit. Based on Third Circuit precedent, applying state law to the question of substantial compliance, this court applies the Delaware standard. See, e.g., Metro. Life Ins. Co. v. Kubichek, No. 02-4254, 2003 U.S. App. Lexis 24867, at *4 (3d Cir. 2003).

but did not with respect to the insurance policy. It was not arbitrary and capricious for Dupont Connection to have acted consistently with decedent's file. Therefore, the court cannot rule that Dupont Connection's decision to pay the insurance policy benefits to Hazel White was erroneous as a matter of law.

V. CONCLUSION

For the reasons stated, defendant DuPont's motion for summary judgment is granted and plaintiff's motion for summary judgment is denied. An order consistent with this memorandum opinion shall issue.

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HAZEL R. WHITE and E.I. DU PONT DE NEMOURS AND COMPANY,	)	
	)	
	)	
Defendants.	)	

O R D E R

At Wilmington this 18th day of January, 2005, consistent with the memorandum opinion issued this same day;

IT IS ORDERED that:

1. Defendant E.I. du Pont de Nemours and Company's motion for summary judgment (D.I. 40) is granted.

2. Plaintiff's motion for summary judgment (D.I. 46) is denied.

Sue L. Robinson
United States District Judge