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INSURANCE LAW BULLETIN

Re: Insurance Commissioner Rules Complaint Barred By Administrative Collateral Estoppel

An administrative law judge, on behalf of the Maryland Insurance Commissioner (the "Commissioner"), recently held that an insured's complaint concerning a denial of disability benefits was barred by administrative collateral estoppel.

Following the denial of a claim for long-term disability benefits, the insured filed a complaint with the Commissioner. After a hearing, the Commissioner concluded the claim was not denied for an arbitrary or capricious reason and the insurer did not violate the Maryland Insurance Article. The insured filed a second complaint, and the insurer moved to dismiss.

Granting the motion to dismiss, the Commissioner held the second complaint was barred by administrative collateral estoppel because: (i) the prior adjudication satisfied the requirements of due process; (ii) the facts and issues decided in the prior proceeding were identical to those in the second complaint (notwithstanding the insured's argument that the prior claim involved total disability, while the new claim involved residual disability); (iii) the prior adjudication resulted in a valid, final judgment; and (iv) the insured was a party to the prior adjudication.

For further information or a copy of the decision, please contact **Bryan D. Bolton**, who represented the insurer in this matter, at 410.659.7754 or bdbolton@fblaw.com. Please visit our website at www.fblaw.com.

May 3, 2006
No. 2006-2