

119TH CONGRESS
2D SESSION

H. R. 9751

To amend the Employment Retirement Income Security Act of 1974 to
establish additional requirements relating to claims and appeals.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2026

Ms. LEE of Pennsylvania introduced the following bill; which was referred to
the Committee on Education and Workforce

A BILL

To amend the Employment Retirement Income Security Act
of 1974 to establish additional requirements relating to
claims and appeals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Appeal
5 Rights Enforcement Act”.

6 **SEC. 2. ENFORCEMENT OF CLAIMS PROCEDURE AND EX-**
7 **TERNAL REVIEW REQUIREMENTS.**

8 (a) **EQUITABLE RELIEF AND PENALTIES.**—Section
9 502(a) of the Employee Retirement Income Security Act
10 of 1974 (29 U.S.C. 1132(a)) is amended—

1 (1) in paragraph (5), by inserting before the
 2 semicolon the following: “or the terms of the plan”;
 3 and

4 (2) in paragraph (6), to read as follows:

5 “(6) by the Secretary to collect any civil penalty
 6 under this title;”.

7 (b) PENALTY FOR CLAIMS PROCEDURE AND EXTER-
 8 NAL REVIEW REQUIREMENT VIOLATIONS.—Section
 9 502(c) of the Employee Retirement Income Security Act
 10 of 1974 (29 U.S.C. 1132(c)) is amended by adding at the
 11 end the following:

12 “(14)(A) GLOBAL AND INDIVIDUAL VIOLA-
 13 TIONS.—

14 “(i) IN GENERAL.—The Sec-
 15 retary may assess a civil penalty
 16 under subparagraph (B) against any
 17 person or entity (other than a plan)
 18 that materially causes (including
 19 through failure to perform required
 20 actions) a global violation described in
 21 clause (ii) or individual violation de-
 22 scribed in clause (iii).

23 “(ii) GLOBAL VIOLATION.—It shall be
 24 deemed a global violation for a plan to fail
 25 to have—

1 “(I) a claims procedure that com-
2 plies (in writing or in operation)
3 with—

4 “(aa) the terms of the plan;
5 or

6 “(bb) section 503 (including
7 the requirements of section
8 2560.503–1 of title 29, Code of
9 Federal Regulations, as in effect
10 on the date of enactment of the
11 Consumer Appeal Rights En-
12 forcement Act); or

13 “(II) an external review process
14 that complies (in writing or in oper-
15 ation) with—

16 “(aa) the terms of the plan;
17 or

18 “(bb) the requirements of
19 section 2590.715–2719 of title
20 29, Code of Federal Regulations,
21 as in effect on the date of enact-
22 ment of the Consumer Appeal
23 Rights Enforcement Act.

1 “(iii) INDIVIDUAL VIOLATION.—It
2 shall be deemed an individual violation for
3 a plan to fail to—

4 “(I) provide a required notifica-
5 tion or disclosure to a participant or
6 beneficiary that includes all required
7 content;

8 “(II) respond to or decide a par-
9 ticipant’s or beneficiary’s claim, ap-
10 peal or request for external review in
11 a timely manner; or

12 “(III) respond to a participant’s
13 or beneficiary’s communication or re-
14 quest for information with the re-
15 quested information to which the par-
16 ticipant or beneficiary is legally enti-
17 tled;

18 in a manner that violates the plan’s writ-
19 ten claims procedure, section 503 (includ-
20 ing the requirements of section 2560.503–
21 1 of title 29, Code of Federal Regulations
22 (as in effect on the date of enactment of
23 the Consumer Appeal Rights Enforcement
24 Act)), or the requirements of section
25 2590.715–2719 of title 29, Code of Fed-

1 eral Regulations (as in effect on the date
2 of enactment of the Consumer Appeal
3 Rights Enforcement Act).

4 “(iv) SEPARATE VIOLATIONS.—Each
5 individual violation with respect to each
6 participant or beneficiary shall be treated
7 as a separate violation.

8 “(B) PENALTY AMOUNTS.—

9 “(i) GLOBAL VIOLATION.—The amount of
10 the penalty imposed under this paragraph for a
11 global violation shall be no greater than the
12 product of—

13 “(I) for each plan year in which such
14 a violation occurs, \$1,000, multiplied by

15 “(II) the number of participants and
16 beneficiaries in the plan at the start of
17 each such plan year.

18 “(ii) ENHANCED PENALTY FOR CERTAIN
19 GLOBAL VIOLATIONS.—A penalty for a global
20 violation may be trebled if such violation is not
21 corrected within 90 days after the Secretary
22 gives written notice of the Secretary’s intent to
23 assess such penalty to the plan administrator
24 and each person or entity that the Secretary in-
25 tends to hold liable for the penalty.

“(iii) INDIVIDUAL VIOLATION.—The amount of the penalty imposed under this paragraph for an individual violation shall be no greater than \$1,000 for each day beginning on the date on which—

“(I) a participant or beneficiary (or such participant or beneficiary’s authorized representative) gives written notice of the violation to the administrator and the Secretary of Labor; or

“(II) if the Secretary discovers an individual violation during the course of an investigation pursuant to section 504, the Secretary provides written notice to the administrator of such violation.

and ending on the date on which the violation is corrected.

“(iv) ENHANCED PENALTY FOR CERTAIN INDIVIDUAL VIOLATIONS.—The civil penalty described in clause (iii) may be trebled with respect to each separate and distinct violation of subparagraph (A)(iii) that is not corrected within the following periods beginning on the date on which the plan administrator receives notice described in subclauses (I) or (II) of clause (iii):

1 “(I) 90-day period with respect to a
2 violation pertaining to a plan that is not a
3 group health plan.

4 “(II) 30-day period with respect to a
5 violation pertaining to a group health plan.

6 “(III) 3-day period with respect to a
7 violation of a claim involving urgent care
8 as defined in section 2560.503–1(m)(1) of
9 title 29, Code of Federal Regulations (as
10 in effect as of the date of enactment of the
11 Consumer Appeal Rights Enforcement
12 Act).

13 “(v) PATTERN OR PRACTICE OF INDIVIDUAL VIOLATIONS.—In addition to the pen-
14 alties under clauses (iii) and (iv), in the case
15 that the Secretary determines that a person or
16 entity has engaged in a pattern or practice of
17 individual violations, the Secretary—

18 “(I) shall provide notice to the plan of
19 the intent to assess a penalty with respect
20 to each individual violation that occurred
21 within the 3-year period ending on the date
22 that such notice was provided, unless each
23 such individual violation has been cor-
24 rected;
25

1 “(II) with respect to each individual
2 violation, shall assess a penalty not less
3 than \$100 and not greater than \$1,000 for
4 each day each such violation during such
5 period was not corrected following receipt
6 of the notice by the Secretary; and

7 “(III) may waive some or all of the
8 penalties if the plan corrects the violations
9 within 120 days of receipt of the notice re-
10 quired under subclause (I).

11 “(C) JOINT AND SEVERAL LIABILITY.—Any
12 person or entity that materially causes (including
13 through failure to perform required actions) a viola-
14 tion described in subparagraph (A) shall be jointly
15 and severally liable for the payment of the appro-
16 priate penalty described in subparagraph (B).”.

17 (c) ADDITIONAL PENALTY.—Section 502(g) of the
18 Employee Retirement Income Security Act of 1974 (29
19 U.S.C. 1132(g)) is amended by adding at the end the fol-
20 lowing:

21 “(3)(A) In any action brought under subsection
22 (a)(5) with respect to a violation of section 503 (in-
23 cluding a violation of section 2560.503–1 of title 29,
24 Code of Federal Regulations, as in effect on the date
25 of enactment of the Consumer Appeal Rights En-

1 enforcement Act) or a violation of section 2590.715–
2 2719 of title 29, Code of Federal Regulations (as in
3 effect on the date of enactment of the Consumer Ap-
4 peal Rights Enforcement Act), a court may impose
5 against any defendant (other than a plan), as addi-
6 tional relief, the penalties described under subsection
7 (c)(14).

8 “(B) A court may not impose such penalties if
9 the Secretary has previously assessed a penalty
10 under subsection (c)(14) against such defendant for
11 the same violation.

12 “(C) The Secretary may not assess any penalty
13 under subsection (c)(14) against a person or entity
14 if, in an action brought under subsection (a)(5), a
15 court has imposed a penalty against such person or
16 entity for the same violation.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply beginning on the date that is 90
19 days after the date of enactment of this Act.

20 **SEC. 3. DIRECT ENFORCEMENT AUTHORITY.**

21 (a) IN GENERAL.—Section 502(b)(3) of the Em-
22 ployee Retirement Income Security Act of 1974 (29
23 U.S.C. 1132(b)(3)) is repealed.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply beginning on the date that is 90
3 days after the date of enactment of this Act.

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