

But for the Plan

(Consumer - Life Insurance Company's Initial Refusal to Pay - Successfully Challenged)

Ms. Carpenter (not her real name) came into our office visibly upset. Not only had her husband suddenly passed away, his insurer refused to pay the death benefit on two insurance policies, totaling approximately \$180,000.00. The policies were purchased to pay off a mortgage and a line of credit.

The insurer alleged that the deceased lied about a pre-existing health issue on his application, and relied on the Medical Certificate of Death, which was prepared by the attending physician. The certificate cited "natural causes" as the cause of death. It stated further, however, that alcoholism of 20 plus years" and "tobacco abuse disorder 20 plus years" were antecedent causes contributing to his death.

In our correspondence to the insurer, we contended that there was insufficient evidence to conclude that the deceased had a pre-existing condition requiring disclosure. Furthermore, we contended that the deceased did not misrepresent his condition on the application form.

The process took several months, including an OHIP record search and forensic investigation, but in the end the insurer paid in full - our client's mortgage and line of credit, including interest. The total cost to our client was \$363.77.

But for the Plan, the insurance company's initial refusal to pay may not have been challenged.



*... Submitted by Jonathon Dick,
Staff Lawyer
St. Catharines Office*