

Life Insurance & Financial Services Briefs

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N.Y. court rejects bid against life insurer by insured cheated by agent

NEW YORK — A policyholder cheated by his life insurance agent has no case against the agent's insurance company because the transactions were undertaken by the agent with the policyholder's assent, a New York court ruled recently.

New York insurance broker Anthony Schepis talked his policyholder and friend, Michael Crimi, into cashing in his annuity and loaning the proceeds to the Schepis. The policyholder received the check from National Life Insurance Co. and gave it to Schepis, who forged Crimi's signature and deposited the \$70,000 into his own account.

Schepis promised to repay the loan within 30 days but refused. Only after eight months passed did the plaintiff complain to National Life. Eventually, the plaintiff sued the insurer, which was denied summary judgment by a lower court.

The New York Appellate Court (Second Department) overturned the lower court, granting the insurer summary judgment on the grounds that the insurance "broker" acted as the plaintiff's agent in obtaining the policy from the defendant, in submitting the surrender to the defendant on behalf of the plaintiff, and in receiving the check for delivery to the plaintiff. Accordingly, the plaintiff is bound by the action of his agent in securing the surrender check, forging the plaintiff's signature, and converting the funds, the court said. The case is *Michael Crimi v. National Life Insurance Company*. □

Manulife cleared by SEC to acquire John Hancock

WASHINGTON — Manulife Financial Corp. has received antitrust clearance from the Federal Trade Commission for its proposed acquisition of John Hancock Financial Services Inc. The commission said that it terminated the waiting period required for the companies under the Hart-Scott-Rodino Antitrust Improvements Act.

On Sept. 28, Toronto's Manulife Financial announced plans to buy Boston-based John Hancock Financial Services in a stock swap for more than \$10 billion that would create a \$25 billion global insurance franchise. □