

Susman Godfrey Wins Summary Judgment in \$5 Million Life Settlement Rescission Lawsuit

Los Angeles, California — A New York state court recently rejected as a matter of law an insurance company’s attempt to rescind a \$5 million life insurance policy, holding that the insurer — Lincoln Life & Annuity Company of New York — waived its rights to obtain rescission by seeking and accepting premium payments after it filed its lawsuit. The trial litigation firm Susman Godfrey L.L.P. represents the victorious policy owner. Lincoln’s lawsuit was based on allegations that the insurance policy lacked an insurable interest because it was procured by third-parties for investment purposes. The policy owner vigorously defended the legitimacy of the policy, and also contended that Lincoln’s post-litigation conduct—which included the acceptance of over \$100,000 in additional premium payments, premiums Lincoln sought to retain in its lawsuit—barred Lincoln’s claims. The court agreed, and dismissed Lincoln’s suit after granting Susman Godfrey’s motion for summary judgment.

Steven Sklaver and Arun Subramanian, attorneys in Susman Godfrey’s Los Angeles and New York offices, represent the policy owner. “Lincoln tried to rescind an insurance policy, but at the same time it demanded, accepted and tried to keep the policy owner’s payments for continued coverage. The Court’s thoughtful ruling is a clear rejection of this practice,” Mr. Sklaver said. Susman Godfrey is a 90-lawyer litigation boutique with offices nationwide, and represents numerous investors and trusts in life settlement litigation across the country.

The case is Lincoln Life & Annuity Co. of New York v. Jonathan Berck, as Trustee of the Rosamond Janis Insurance Trust, No. 17362/08 (N.Y. Sup. Ct., Westchester Cty. 2009).