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Life Insurance Proceeds and Competing Beneficiaries Fighting Over \$250,000

Life insurance proceeds can be paid out either by way of beneficiaries designated on the life insurance policy itself or, if no beneficiary is listed, through the deceased's Estate (i.e. through the Will of the deceased).

What happens when two different people claim to be the beneficiaries of a \$250,000 life insurance policy, one of which can only produce an alleged photocopy of a "new" change of beneficiary form that was not filed with the insurer at the time of the alleged change?

What if the two people are related by marriage, so that this litigation, after the death of a loved one, ends the relationship between the two competing sides? What if the Trial of the matter lasts for a week and involves various witnesses and two experts in handwriting analysis – whereby the loser of the lawsuit will pay the other side tens of thousands of dollars in legal costs for having conducted litigation which was ultimately unsuccessful?

What if the allegation of one of the parties is that the other party engaged in fraud and deliberately created a false document listing a false beneficiary to steal this \$250,000?

What if one competing party is the brother of the deceased and the other competing party is the wife of the deceased?

In the recent case of **RBC Life Insurance Company v. Monaco et al.** (2010 Ontario Superior Court of Justice), the \$250,000 life insurance proceeds were paid into Court (pending resolution of the dispute) and an application was brought by RBC, the insurer, against the two competing beneficiaries.

Briefly, the sequence of events:

- husband and wife each take out \$250,000 life insurance policies
- initially husband designates his brother, while wife designates her teenaged son
- then apparently the husband changes his mind, has a meeting with the insurance agent and his wife and designates a new beneficiary – being his wife's son. Unfortunately, this change is not registered with the insurer, which is not the usual practice
- upon death, the brother of the deceased claims the life insurance proceeds and the insurer supports this as the registered beneficiary on the policy is the brother. The wife has a photocopy of the alleged signed change of beneficiary (naming her teenaged son) signed two years earlier but never registered.

The case involved two competing handwriting experts and the testimony of various witnesses over a week long Trial. Specifically, the Trial Judge noted that the insurance agent was not an impressive witness, who did not provide a clear explanation of why the change of beneficiary form was not filed with the life insurer.

The Trial Judge preferred one expert's testimony and found that the proper beneficiary was the teenaged son.

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