

Lawsuit Alleges Insurance Company Has a Practice of Denying Life Insurance Claims Contrary to Law

Standard Insurance Company sued for denying accidental death benefits by claiming a heart condition contributed to the death and excluded the loss from payment

LOS ANGELES, CALIFORNIA, UNITED STATES, August 12, 2021 /EINPresswire.com/ -- On July 27, 2021, the California insurance law firm Gianelli & Morris filed a complaint in Los Angeles County Superior Court against Standard Insurance Company and the City of Los Angeles, seeking damages for breach of contract, breach of the implied covenant of good faith and fair dealing, negligence, and breach of fiduciary duty. The case is *Kristina Bain Golem v. Standard Insurance Company; City of Los Angeles; and Does 1 through 20, inclusive* (case no. 21STCV27632).

According to documents filed with the court, the plaintiff in the case is the beneficiary of a \$500,000 accidental death and dismemberment policy held by her late husband, which he had obtained through his employment with the City of Los Angeles. The husband died in a drowning accident while snorkeling in Hawaii, and the wife submitted her claim to Standard.



Robert S. Gianelli, Los Angeles Insurance Attorney

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Standard's policy includes language that to be covered, a death cannot be caused or contributed by sickness existing at the time of the accident. Specifically, the policy language says the death must be “caused solely and directly by an accident” and not “caused or contributed to by...[h]eart attack or stroke.”

The autopsy report concluded that the death was caused

by accidental drowning. The report also noted that a cardiac arrhythmia “may have” contributed to the accidental death. Standard denied the claim based on its policy language quoted above, saying that cardiac arrhythmia contributed to the death.

The plaintiff argues in the complaint that Standard’s position is prohibited by California law. The complaint cites a 1945 decision of the California

Supreme Court (*Brooks v. Metropolitan*

Life Ins. Co. (1945) 27 Cal.2d 305 for the proposition that it has long been established in California law that “the presence of a preexisting disease or infirmity will not relieve the insurer from liability if the accident is the proximate cause of death,” even if the condition appears to have actually contributed to the accident or cause of death.



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The plaintiff also alleges in the complaint that Standard misrepresented the autopsy report by stating that cardiac arrhythmia contributed to the drowning when the report only noted that such a condition “may have” contributed to the accidental death.

Plaintiff’s attorney Rob Gianelli says this is not the first time that Standard, an Oregon corporation, has denied an insurance claim in a manner contrary to California law. “Standard ignored California law in denying plaintiff’s claim as part of a broader pattern and practice,” he says. Mr. Gianelli continues, “An insurance company must adjudicate claims in California based on California rules. Standard does not do that and must be held accountable for its actions.”

The complaint alleges the City of Los Angeles knew of Standard’s erroneous practices and was negligent in choosing Standard as its accidental death and dismemberment provider and promoting the company and its products to City employees. The complaint further alleges the City breached its fiduciary duties to its employees by acting in this manner.

The complaint includes causes of action against Standard Insurance Company for breach of contract and breach of the implied covenant of good faith and fair dealing, as well as claims against the City of Los Angeles for negligence breach of fiduciary duty. The plaintiff is seeking general damages, special or consequential damages, and punitive damages to be determined at trial, along with the payment of attorney fees and costs of the litigation.

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