

Los Angeles

Daily Journal

915 East First Street, Los Angeles, CA 90012 (213)229-5300

Settlement: \$2,150,000.00

Attorneys for Plaintiffs:

Ronald Makarem and Marni B. Folinsky, Los Angeles

Facts

The plaintiff, a physician, purchased an occupation-specific disability insurance policy. In 1996, he became disabled according to the terms of his disability policy and began receiving disability benefits. The defendant terminated his benefits in 2000 on the basis that he was able to work, at least, on a part-time basis. The plaintiff alleged that he sustained cognitive impairments from a stroke suffered in 1996 and could no longer practice medicine.

Contentions:

The plaintiff alleged the defendants acted in bad faith in denying disability benefits, and demanded attorney fees and emotional distress damages, along with all past and future disability benefits under the policy. The plaintiff also claimed punitive damages based on the defendant's conscious disregard for the rights of its insured. The defendant alleged that the insured was not disabled at the level he was claiming, and that under the terms of the disability policy, the denial of benefits was reasonable.

Final Outcome:

The case settled for \$2,150,000.00 before mediator Ralph Williams