Navigating the Life Insurance Secondary Market

Long Term Impact of Recent Court Rulings

Presented by

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I. Delaware Supreme Court to Consider Caruso and Kramer Issues

A. New York Court of Appeals Decision in Kramer

  
  - Landmark decision from New York Court of Appeals which held that New York’s insurable interest statute, N.Y. Ins. Law §3205, allows an insured to procure a policy on his own life and immediately assign the policy to a stranger-investor or anyone else, even where the insured obtained the policy for the purpose of such an assignment:

  - “There is simply no support in the statute for plaintiff and the insurers' argument that a policy obtained by the insured with the intent of immediate assignment to a stranger is invalid. The statutory text contains no intent requirement; it does not attempt to prescribe the insured's motivations. To the contrary, it explicitly allows for ‘immediate transfer or assignment’ (Insurance Law § 3205 (b) (1)). This phrase evidently anticipates that an insured might obtain a policy with the intent of assigning it, since one who ‘immediately’ assigns a policy likely intends to assign it at the time of procurement. Kramer, 15 N.Y. 3d at 551.
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A. New York Court of Appeals Decision in Kramer (cont’d)

  - “Further, the insurable interest requirement of § 3205 (b) (2) does not alter our reading of § 3205 (b) (1) because it does not apply when an insured freely obtains insurance on his own life. Rather, it requires that when a person ‘procure[s] or cause[s] to be procured, directly or by assignment or otherwise’ an insurance policy on another’s life, the policy benefits must run, ‘at the time when such contract is made,’ to the insured or one with an insurable interest in the insured’s life (Insurance Law § 3205 [b] [2]). Where an insured, ‘on his own initiative,’ obtains insurance on his or her own life, the validity of the policy at its inception is instead governed by § 3205 (b) (1).” Kramer, 15 N.Y.3d at 552.

- Of almost equal importance was Kramer Court’s denial of requests to hear additional arguments on the continued validity of New England Mut. Life Ins. Co. v. Caruso, 73 N.Y.2d 74 (1989)

- Caruso held that New York law prohibits an insurer from contesting the validity of a policy for any reason, including lack of insurable interest, after expiration of the policy’s statutorily mandated two-year contestability period.
I. Delaware Supreme Court to Consider Caruso and Kramer Issues

B. Certified Questions Considered by Delaware Supreme Court

  - “Does Delaware law permit an insurer to challenge the validity of a life insurance policy based on a lack of insurable interest after the expiration of the two-year contestability period required by 18 Del. C. § 2908?”
  - “Does 18 Del. C. § 2704(a) and (c)(5) prohibit an insured from procuring or effecting a policy on his or her own life and immediately transferring the policy, or a beneficial interest in a trust that owns and is the beneficiary of the policy, to a person without an insurable interest in the insured's life, if the insured did not ever intend to provide insurance protection for a person with an insurable interest in his or her life?”
  - “Does 18 Del. C. § 2704(a) and (c)(5) confer upon the trustee of a Delaware trust established by an individual insured an insurable interest in the life of that individual when, at the time of the application for life insurance, the insured intends that the beneficial interest in the Delaware trust would be transferred to a third-party investor with no insurable interest in that individual's life following the issuance of the life insurance policy?”
I. Delaware Supreme Court to Consider Caruso and Kramer Issues

B. Certified Questions Considered by Delaware Supreme Court (cont’d)


  “Can a life insurer contest the validity of a life insurance policy based on a lack of insurable interest after expiration of the two-year contestability period set out in the policy as required by 18 Del. C. § 2908?”
I. Delaware Supreme Court to Consider Caruso and Kramer Issues

C. Prior Analysis of Issues by Delaware Federal District Courts
   • Caruso Issue:
     - *Lincoln Nat’l Life Ins Co. v. Joseph Schlanger 2006 Ins. Trust, 2010 WL 2898315,* at *4 (D. Del. Jul. 20, 2010) -- “Because Delaware courts have not addressed whether a contract, alleged to be void ab initio, is contestable outside of its contestability period, the issue raises a new question of law that the court cannot appropriately resolve on a motion to dismiss.” (emphasis added).
     - *Sun Life Assur. Co. of Canada v. Berck, 2011 WL 922289,* at *4 (D. Del. Mar. 16, 2011) (“Berck II”) -- Having considered the parties’ arguments, the court concludes that an incontestability clause does not bar a challenge to an insurance policy that was void ab initio . . . .” (emphasis added).
I. Delaware Supreme Court to Consider Caruso and Kramer Issues

C. Prior Analysis of Issues by Delaware Federal District Courts (cont’d)

• Kramer Issue

  ▪ Sun Life Assur. Co. of Canada v. Berck, 719 F. Supp.2d 410, 418, 419 (D. Del. 2010) (“Berck I”); Berck II, 2011 WL 922289, at *5, *6; Schlanger, 2010 WL 2898315, at *8 -- Recognizing that, where a policy is transferred to a disinterested third-party, that policy will be void ab initio for lack of insurable interest only if there was a bilateral intent between the insured and the third-party to transfer the policy at or before the time of issuance.

  ▪ Principal Life Ins. Co. v. Lawrence Rucker 2007 Ins. Trust, 735 F. Supp.2d 130, 147-149 (D. Del. 2010) -- Concluding that a bilateral intent between the insured and third-party purchaser is not dispositive in determining whether a policy lacks insurable interest, but rather should be but one of several factors analyzed by a court in determining the issue.
I. Delaware Supreme Court to Consider Caruso and Kramer Issues


- Facts
  - Policy was owned by an insured-grantor trust that had been improperly signed and notarized -- testimony that the trust agreement contained forged signatures for insured and notary.
  - Evidence that the insured knew of the trust and the policy, and that the insured participated in the procurement of the policy.
  - Policy was sold to Settlement Funding in an unregulated secondary market sale after expiration of the contestability period.
  - Before Settlement Funding purchased the policy, it received a verification of coverage from AXA, which stated that the policy was incontestable.
  - Settlement Funding sought payment of death benefit from AXA after insured subsequently passed away, and AXA counterclaimed for rescission for fraud and/or lack of insurable interest.
I. Delaware Supreme Court to Consider Caruso and Kramer Issues


  - Despite Caruso, the Court held that “it is appropriate in this case to review whether AXA has put sufficient facts in issue to justify review of the Policy notwithstanding the incontestability clause, and, if so, whether those facts preclude a finding that the Policy is valid as a matter of law.” Settlement Funding I, 2010 WL 3825735, at *5 (emphasis added).
  - The Court believed that Caruso should not be regarded as a strict bar to contestability where a policy is procured under the type of circumstances that were alleged to have been present in Settlement Funding.
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- The Court later denied AXA’s motion to set aside the verdict -- *Settlement Funding, LLC v. AXA Equitable Life Ins. Co.*, 2011 WL 1097635 (S.D.N.Y. Mar. 21, 2011) (“Settlement Funding II”):
  - “AXA’s warmed-over claims concerning the underlying problems with the contract, while sympathetic, ultimately fail. For one thing, it stipulated that the Policy was in force and cannot argue that if the Policy was *void ab initio*, no incontestability provision exists to bar its challenge.” *Settlement Funding II*, 2011 WL 1097635, at *5.
  - “Additionally, the Court of Appeals has recently upheld the validity of a life insurance policy even where the policy was taken out for the express purpose of resale to a stranger. *See Kramer v. Phoenix Life Ins. Co.*, 15 N.Y.3d 539, 553 (2010). That case signals that the jury was well within its rights to find that the circumstances surrounding the procurement of the Policy at issue in this case were insufficient to warrant setting aside the incontestability provision.” *Settlement Funding II*, 2011 WL 1097635, at *5.
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- Case proceeded to trial and the jury found that the expiration of the contestability period barred AXA from seeking rescission of the policy.
- The jury also found that although AXA had been defrauded when it issued the policy, but only awarded AXA nominal damages of $1 for the fraud.

Navigating the Life Insurance Secondary Market in 2011
II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

A. Historical Basis

• “Where the contract is a voidable one, so that cancellation is in the nature of a rescission, a relinquishment of the consideration is essential to its termination by the insurer.” See 2 Couch on Insurance 3d § 32:63 (2010) (emphasis added).
II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

A. Historical Basis (cont’d)

• In the past, Courts recognized an exception to general rule, where the policy was procured by way of fraud:
  - *Mincho v. Bankers’ Life Ins. Co. of New York*, 124 A.D. 578, 581 (N.Y. App. Div. 1908), *aff’d* at 129 A.D. 332, 334 (N.Y. App. Div. 1908) -- Court stated in dicta that an insurer rescinding a policy for fraud would not be compelled to return the entire premium to the party allegedly responsible for the fraud. Rather, the insurer could effectively rescind the policy by using the premium to offset any damages it incurred as a result of the fraud, and returning only the remainder.
  - *Borden v. Paul Revere Life Ins. Co.*, 935 F.2d 370, 379 (1st Cir. (1991) (interpreting Rhode Island law) -- In an action concerning rescission of disability policy, Court stated in dicta: “We think it is good law that, when an insurer has paid a claim to an insured under a policy which is subsequently rescinded by reason of the insured's knowingly false application, and the monies paid are in excess of the premiums received, the insurer has a right of offset; hence, return of the premium is not a condition precedent to rescission.” (emphasis added).
II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

B. Attempts by Insurers to Retain Premiums in General

• A growing number of Courts around the country have denied attempts by insurers to rescind policies and retain premiums:

  ▪ *Wells Fargo Bank, N.A. v. Lincoln Nat’l Life Ins. Co.*, No. 08-CV-06637, slip op. at 6 (C.D. Cal. April 13, 2009) -- Trustee of trust that owned several life insurance policies commenced action against life insurer for judgment that: (1) the policies were valid and in-force; or (2) the policies were rescinded and the insurer was required to return all premiums paid thereon to the policyowner trust. Insurer counterclaimed for declaratory judgment that the policies were void based on material misrepresentation and/or lack of insurable interest, and that the insurer was permitted to retain the premiums on the policies in the event of a rescission. The policyowner trust moved to strike the insurer’s counterclaim to retain premiums, which was granted by the Court. Interpreting California law, the Court held in part: “*e*ven *w*hen *a*n *i*nsured *h*a*ss *e*ngaged *i*n *f*raud *t*o *a*cquire *t*he *i*nsurance *p*olicy,* *t*he *r*escission *o*f *a*n *i*nsurance *c*ontract *r*e*sults *i*n *t*he *f*ull *r*e*turn *o*f *p*remiums.” (emphasis added).
II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

B. Attempts by Insurers to Retain Premiums in General (cont’d)

- *Berck I*, 719 F. Supp.2d at 418 -- Insurer brought suit to rescind a life insurance policy for material misrepresentation and lack of insurable interest while also seeking retain premiums. Defendant Trust moved to dismiss complaint in full. Court granted motion to dismiss, and thereby dismissed insurer’s claim to retain premiums. In reaching this decision the Court definitively stated: “If an insurance company could retain premiums while also obtaining rescission of a policy, *it would have the undesirable effect of incentivizing insurance companies to bring rescission suits as late as possible*, as they continue to collect premiums at no actual risk.” (emphasis added).

- *Lincoln Nat. Life Ins. Co. v. Snyder*, 722 F. Supp.2d 546 (D. Del. 2010) -- Insurer brought suit to rescind a life insurance policy for material misrepresentation and lack of insurable interest while also seeking retain premiums. Defendant Trust moved to dismiss complaint and strike the insurer’s claim to retain premiums. Although the Court denied the motion to dismiss, it granted the Trust’s motion to strike the insurer’s claim to retain premiums on the same grounds that were articulated in the *Berck* case.
II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

B. Attempts by Insurers to Retain Premiums in General (cont’d)

- *PHL Variable Ins. Co. v. Gelb*, 2010 WL 4363377, at *3 (N.D. Ill. Oct. 27, 2010) -- Insurer brought suit to rescind a life insurance policy for material and fraudulent misrepresentation and for lack of insurable interest while also seeking retain premiums. Court granted defendant Trust’s motion to strike insurer’s claim to retain premiums, holding in part that insurer’s claim to retain premiums violated Illinois’ election of remedies doctrine, even if the insurer was seeking rescission based on fraud, because the election of remedies rule “applies even where the party against whom rescission is sought has committed fraud.”

II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

B. Attempts by Insurers to Retain Premiums in General (cont’d)

- The U.S. Court of Appeals for the 8th Circuit is currently considering whether Minnesota law permits an insurer to rescind a policy and retain premiums. New Stream Ins., LLC v. PHL Variable Ins. Co., No. 10-1696 (8th Cir. filed Mar. 29, 2010).

  - The trial court, the United States District Court for the District of Minnesota, interpreting Minnesota law, held that the rescinding insurer, Phoenix, was not required to return the premiums because there was no dispute that the policy’s application had contained willfully false statements. The District Court noted that: “[s]hould Phoenix be required to make the Trust whole-the party that has admitted to including willfully false statements in the Trust application with the intent to deceive-would, as the Court found in Taylor, be an invitation to fraud.” PHL Variable Ins. Co. v. Lucille E. Morello 2007 Irrevocable Trust, 2010 WL 2539755, at *5 (D. Minn. March 3, 2010) (emphasis added).

- The California Court of Appeal is similarly considering whether California law permits an insurer to retain premiums when rescinding a policy. See Lincoln Life and Annuity Co. v. Berck, No. D056373 (Cal. Ct. App. filed Nov. 24, 2009). The trial court allowed the rescinding insurer to retain premiums.
II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

C. Using Premiums to Offset Commission Payments to Agents

• Insurers often argue that they should be able to retain premiums as an offset against the commission payments that the insurers made to their agents when issuing policies.

• Some courts have specifically recognized, however, that commissions cannot be paid from premiums that are returnable to an insured upon rescission or cancellation of a policy:
  - **McKenna v. Fireman’s Ins. Co.,** 63 N.Y.S. 164 (N.Y. Sup. Ct. 1900) -- Insured sought to recover unearned premiums on cancelled policy. Insurer argued that it should be allowed to deduct commissions paid to the insurer’s brokers from the returned premiums. Court held that insurer had to return the unearned premium, without deduction, because the insurer could not charge the insured for commissions that the insurer paid to its brokers.
II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

C. Using Premiums to Offset Commission Payments to Agents (cont’d)

- *153 West 33rd Street Corp. v. Reliable Ins. Co.*, 286 N.Y.S.2d 694, 696 (N.Y. Civ. Ct. 1968) -- Insurer sought cancellation of two insurance policies on which it had paid commissions to its agent. The insurer claimed that, when cancelling the policies, it was not required to return to the insured the portion of premiums representing the commissions paid. Court held that the insurer was required to return all of the policy premiums, including those amounts that represented commissions that the insurer paid to its agent, because: “[a]ny rights that the insurance company may have against its agent for money owed by the agent must be pursued by the company. It cannot be converted into the insured's burden. The insurer cannot palm off on the insured claims that the insurance company has against its agent or former agent . . . .”

- *Spilka v. South Am. Managers, Inc.*, 255 A.2d 755, 761 (N.J. 1969) -- Noting in dicta that “an insurer’s agent may not set off against unearned premiums, received from the insurer for transmittal to the insureds, amounts owed to it by a broker with respect to which the insureds or their assignee have no legal connection or responsibility.”
II. Legal Developments – An Insurer’s Obligation to Return Premiums When Rescinding a Policy

C. Using Premiums to Offset Commission Payments to Agents (cont’d)

- The United States District for the Northern District of Illinois recently adopted the same line of reasoning, and held that a rescinding insurer could not retain premiums as damages for commissions paid to agents:
  - *Gelb*, 2010 WL 4363377, at *4 -- “In this case, the commissions PHL paid to third party agents and representatives did not confer any benefit upon the Trust. Accordingly, PHL may not recover those amounts in a rescission action.”

- The commission issue is also being considered by the 8th Circuit Court of Appeals in *New Stream*. 
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

A. Players and Issues in Typical Discovery Disputes

• In a growing number of cases, disputes have arisen concerning the extent of discovery that an insurer must provide.

• Insurers largely argue that they are only required to provide discovery regarding the policies at issue in the subject litigation.

• Defendants in these cases, usually policyowners or brokers or agents, argue that insurer should be required to provide information on other large face amount policies (usually $10 million or more) that were issued to individuals aged 75 and above. Defendants argue that this is the only way to determine insurer’s actual underwriting practices with respect to these types of policies.
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

B. In the following cases insurers were required to provide information on other similar policies during discovery:

- *Fenton v. PHL Variable Ins. Co.*, No. BC 416600 (Cal. Super. Ct. Feb. 9, 2010) -- The trustee of a number of life insurance trusts sued a life insurer that had issued policies to the trusts for the insurer’s failure to acknowledge change of ownership and beneficiary forms submitted by the trusts. The court determined that the insurer was required to produce documents to the trustee regarding the following:
  - Targets, quotas or goals imposed by the insurer on its wholesalers with respect to producing life insurance business;
  - Communications between the insurer and its agents and brokers concerning life settlements;
  - Commissions, bonuses and payments to the insurer’s personnel as a result of policies at issue in the case;
  - Costs incurred by the insurer in connection with underwriting the policies at issue in the case;
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

B. Cases where insurers were required to provide information on other similar policies during discovery (cont’d):

- *Fenton v. PHL Variable Ins. Co.*, No. BC 416600 (Cal. Super. Ct. Feb. 9, 2010) -- The court determined that the insurer was required to produce documents to the trustee regarding the following (cont’d):
  - Complaints in all cases during the previous 5 years where the insurer was seeking to rescind a policy of life insurance on the life of an individual at least 70 years old by claiming lack of insurable interest;
  - The insurer’s oversight of its brokers issuing universal life policies to insureds over age 70;
  - Communications between the insurer and other life insurers concerning premium financed policies issued to persons over age 70, and
  - Communications between the insurer and its underwriting department, agents, brokers and reinsurers concerning premium financing.
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

B. Cases where insurers were required to provide information similar policies during discovery (cont’d):

- *Lincoln National Life Ins. Co. v. Griffin*, No. 08-cv-80965 slip. Op at 6-18 (S.D. Fla. Sept. 11, 2009) -- Insurer sought rescission of policy based on material misrepresentation and/or lack of insurable interest. The insurer also argued that the policy was void because it was procured as part of a premium finance arrangement with an investor. The insurer issued the policy on December 26, 2006, even though the policy application was incomplete. Once the application was completed, the policy was placed in-force as of February 9, 2007. The insurer subsequently passed away. Defendant policyowner (insurance trust) sought discovery of insurer’s practices with other similar policies. The Court ordered insurer to produce the following:
  - Documents received by the insurer in the 10 months prior to the subject policy’s in-force date, with respect to policies that the insurer had issued before receiving a complete application. The Court determined that the requested documents were relevant to the insurer’s claims that it would not have issued the policy had it been aware of the alleged misrepresentations on the application during underwriting.
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

B. Cases where insurers were required to provide information similar policies during discovery (cont’d):

- The Court ordered that the insurer was compelled to produce the following (cont’d):
  - Documents received by the insurer during the 9 months prior to the insured’s death (the “Relevant Period”) concerning policies that the insurer had issued where the premiums were either financed by a third-party, or paid by a party other than the insured. The Court determined that the documents were relevant to the insurer’s claims that it would not have issued the policy were it aware of the identity of the payor of premiums.
  - Documents from the Relevant Period that concerned the insurer’s communications with investment banks and reinsurers regarding premium financing or life settlements. The Court determined that the documents were relevant to show how the secondary market affected the insurer’s business practices; and reinsurance for settled and/or finance policies.
  - Documents concerning all policies issued by the insurer during the Relevant Period for which premiums were financed by a lender not affiliated with the insurer. The Court determined that the documents were relevant to the insurer’s claim that it would not have issued the subject policy had it been aware that the insured had financed premiums on the policy.
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

B. Cases where insurers were required to provide information similar policies during discovery (cont’d):

- *Lincoln National Life Ins. Co. v. Biviano, et al.*, No. 09-cv-82447, slip. op. at 8-14 (S.D. Fla. Apr. 28, 2011) -- Insurer sought rescission of policy based on material misrepresentation and/or lack of insurable interest. Policyowner trust sought to compel certain materials regarding insurer’s underwriting practices. The trust argued that the documents were relevant to the trust’s defense that the policy in question was issued not because of any misrepresentations that were allegedly made, but because the underwriting process at the time in question was lax. The Court agreed with the trust, granted the motion to compel and ordered the insurer to produce the following:
  - Any and all procedures, rules and policies for underwriting in effect after the underwriting period for the subject policy relating to the claims set forth by the insurer in its complaint.
  - Any and all training materials, manuals, computer software and/or videos relating to underwriting in effect after the underwriting period for the subject policy.
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

B. Cases where insurers were required to provide information similar policies during discovery (cont’d):

  - Any and all procedures, rules and policies for claims handling in effect during the three years after the underwriting period for the subject policy.
  - Any and all training materials, manuals, computer software, and/or videos relating to claims in effect during the three years after the underwriting period for the subject policy.
  - Documentation relevant to any analyses undertaken with regard to lapses in policies from 2007 until the present, and with regard to “shock lapse rates” created during the underwriting period for the subject policy, as well as during the three years thereafter.
  - Any and all analysis and summaries comparing the mortality results with the insurer’s expectations from 2005 until the present.
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

B. Cases where insurers were required to provide information similar policies during discovery (cont’d):

- *Penn Mutual Life Ins. Co. v. Rodney Reed 2006 Ins. Trust*, 2011 WL 1636949 (D. Del. Apr. 29, 2011) -- Insurer sought rescission of life insurance policy because it was the product of STOLI. Policyowner Trust sought to compel certain testimony from Penn Mutual’s officials as well as certain documents that Penn Mutual claimed were subject to the attorney-client privilege. Court granted the Trust’s motion to compel in part. In reaching this decision, the Court determined that Penn Mutual’s in-house counsel could not refuse to answer questions at his deposition, based on attorney-client privilege, where the questions inquired about the method by which Penn Mutual’s legal department educates underwriters about new legal requirements.
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

C. In the following cases an insurer was not required to provide information on other similar policies during discovery:

- *Principal Life Ins. v. Mosberg*, No. 09-cv-02571 (E.D.N.Y.) (ECF Doc. No. 25-7) -- Insurer sought rescission of policy for material misrepresentation and/or lack of insurable interest. The policy had been issued on June 18, 2007. During discovery the defendant policyowner (the trustee of the trust that owned the policy) sought to compel discovery from the insurer regarding the insurer’s files concerning other similar policies. The Court denied the motion to compel. Among the items that the court denied discovery of, were the following:
  - Every high value policy (face value of $2 million or more) issued by the insurer to persons 75 or older from roughly 2002 to 2009 where the application contained the similar alleged misrepresentations alleged in the insurer’s complaint;
C. Cases where insurer was not required to provide information on other similar policies during discovery (cont’d):

- *Principal Life Ins. v. Mosberg*, No. 09-cv-02571 (E.D.N.Y.) (ECF Doc. No. 25-7) -- Among the items that the court denied discovery of, were the following (cont’d):
  - Every legal action commenced by the insurer between 2002 and 2009 for the rescission of a policy with a face amount of $2 million or more;
  - All reinsurers on high value policies issued by the reinsurer between 2002 and 2009, and
  - The insurer’s entire file on each high value policy insuring a person 75 or older issued between 2002 and 2009.
III. Legal Developments Regarding Discovery of Insurer’s Files in Rescission Actions

C. Cases where insurer was not required to provide information on other similar policies during discovery (cont’d):

- *TtSi Irrevocable Trust v. Reliastar Life Ins. Co.*, 2011 WL 810601 (Fla. App. 5 Dist. May 13, 2011) -- Held that, under Florida law, “where a party wrongfully procures a life insurance policy on an individual in whom it has no insurable interest, the party is not entitled to a return of premiums paid for the void policy.” (emphasis added).