

Policy Holder Becomes Crittically Ill After Cancelling Life Insurance

Reported Case:	<i>Gish v. Hooper Insurance and Financial Services Inc.</i>
Citation:	2010 BCSC 605
The Court:	British Columbia Supreme Court
Judgment Rendered:	April 29, 2010
At Issue:	Was the cancellation of a life insurance policy valid?
Factual Summary:	<p>Mr. Gish faxed a handwritten letter directing the defendant insurer to immediately cancel two life insurance policies naming his wife, the plaintiff, as beneficiary. The next day letters were issued by insurer confirming Mr. Gish's request to cancel the policies had been received and acted upon, however, the insurer allowed coverage to continue up to the "paid to" dates of Mr. Gish's premiums. Mr. Gish was diagnosed with brain cancer three months after sending the letter and died one month later.</p> <p>Plaintiff brought an action in negligence for the premature loss of the two life insurance policies due to the negligent misrepresentations of the defendants as to the actual status of the cancellation of the policies.</p>
Decision:	<p>The cancellation was valid. The trial judge concluded that the defendant insurer's election to continue coverage of the policies until the "paid to" dates did not make the cancellation invalid.</p> <p>The trial judge also found that Mr. Gish's right to terminate the contract unilaterally upon proper written notice was an implied term of the contract. His notice of cancellation was clear, unequivocal, and unconditional. Further, consent of the plaintiff to cancel the policy was not required because she was not designated as an irrevocable beneficiary.</p>