

News

# South Florida Attorney Helps Lead \$88M Transamerica Life Insurance Settlement

A Coral Gables attorney was co-lead counsel in a case claiming the insurer withdrew improper charges from thousands of universal life policies mostly held by seniors.

By **Ross Todd** | May 05, 2020 at 05:25 PM | The original version of this story was published on **The Recorder**



Transamerica Pyramid Center, San Francisco

A federal judge in Los Angeles gave [preliminary approval](#) to a deal that Transamerica Life Insurance Co. reached with policyholders, including many seniors, who claimed the company improperly increased monthly withdrawals from their life insurance policies.

As part of [the proposed settlement](#) approved Monday by U.S. District Judge Christina Snyder of the Central District of California, Transamerica agreed to establish a fund of up to \$88 million to compensate about 7,800 policyholders who owned its TransUltra 115 98/99 or TransSurvivor 115 97/98/99 universal life insurance policies.

Plaintiffs were represented by co-lead counsel Adam M. Moskowitz of The Moskowitz Law Firm in Coral Gables, Andrew S. Friedman of Bonnett Fairbourn Friedman & Balint in Phoenix and Harvey Rosenfield of Consumer Watchdog in Los Angeles.

Moskowitz shared the credit Wednesday with his co-counsel as well as Transamerica and its attorneys, for deciding "in this extremely difficult environment to help their consumers, while other companies have decided to take a different path."

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Many class members bought their policies, which included a savings component, in past decades when interest rates were high in the United States. Plaintiffs claimed Transamerica [increased monthly cost-of-insurance](#) charges on the policies to a level that exceeded the interest amount many policyholders used to pay for the policies. The suit claimed the insurer violated the express contract term in policies prohibiting increases to recoup past losses rather than to pay foreexpected costs.

The agreement approved Monday marks the second such deal that Transamerica reached with policyholders. The Cedar Rapids, Iowa-based company previously reached [a \\$195 million deal](#) covering 70,000 universal life policies.

A Transamerica representative noted Tuesday that the policies in question have adjustable rates unlike term life insurance policies, which have fixed rates.

"Transamerica set the monthly deduction rates for these policies in accordance with contractual terms and was prepared to defend its actions through trial, but decided it was in the best interest of both Transamerica and its policy owners to resolve the litigation on mutually agreeable terms," the company representative said by email.

Under the terms of the settlement, Transamerica agreed to deposit settlement payments in policyholders' current insurance accounts. Owners of terminated policies would receive payment automatically by check.

In [a news release touting](#) the deal when settlement papers were filed in April, Friedman said the increased charges "caused tremendous surprise and stress for the affected policyholder, many of whom are now senior citizens and some of whom are quite elderly and on fixed incomes."

"Our number one goal was to get as much money as we could back to these policyholders as quickly as possible," he said. "We have accomplished our goal."

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## Ross Todd

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