

\$19 Million in Attorney Fees After Coral Gables Lawyer Helps Land \$88M Settlement With Transamerica

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By Michael A. Mora | September 17, 2020



Adam Moskowitz.

A Coral Gables attorney co-led litigation in an \$88 million class action settlement approved by a federal judge in Los Angeles.

And as part of the recovery obtained from Transamerica Life Insurance Co., which is part of an American conglomerate composed of numerous life insurance companies and investment firms, a further \$19 million in fees and costs will be allocated to the attorneys in the case.

The class action involved policyholders who claimed Transamerica improperly increased monthly charges withdrawn from their universal life policies. The settlement will distribute \$88 million to about 7,800 policyholders who owned its "TransUltra 115 98/99" or "TransSurvivor 115 97/98/99" universal life insurance policies.

Many class members obtained their policies decades ago when U.S. interest rates were significantly higher.

These policyholders claimed that Transamerica violated the express contractual term of the policies by increasing the monthly cost of insurance charges to recoup past losses, instead of paying future expected costs.

Adam Moskowitz, managing partner at The Moskowitz Law Firm in Coral Gables, said many of the policyholders are older than 80.

“You could be paying life insurance for years, and all of a sudden your premium increase gets to a point where you can’t afford it,” Moskowitz said. “This protection you thought you had your whole life is gone. That’s how crucial it is that these types of charges are fair and according to the contract language.”

Now, customers who owned Transamerica life insurance policies as of Dec. 31, 2019—which were issued between 1997 and 2001—will be eligible for compensation (<http://thompsonsettlement.com>).

Erin E. Bennett, a partner at McDowell Hetherington in Houston, which represented Transamerica, did not respond to a request for comment.

The insurance company did not admit fault.

Methodology

Moskowitz said a takeaway for other lawyers is to be careful before prosecuting one of these cases, due to the litigation complexity and the preparation required.

He explained that one of the biggest hurdles for him in the litigation was understanding the technical actuarial programs and algorithms set up to justify the monthly deduction rate charges on select life insurance policies.

That’s where co-lead counsel, Andrew S. Friedman, a partner at Bonnett Fairbourn Friedman & Balint in Phoenix, came into play.

Friedman’s experience dates back to the 1980s, when he was among a team of lawyers that brought landmark cases against major life insurance companies for deceptive insurance product marketing.

Moskowitz said Friedman analyzed these advanced algorithms that contained dozens of variables, and determined the charges that Transamerica’s customers were forced to incur.

“The actuaries have to have a basis for making these charges,” Moskowitz said. “To understand their methodology and how they went in to prove their actuarial justification is extremely complicated, especially when a company knows what they can and can’t do.”

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