



INSURANCE LAW BULLETIN

Re: Insurance Commissioner Rules Insured Lacks Standing To Request Hearing Concerning Life Insurance Policy Owned By Trust

The Maryland Insurance Commissioner recently ruled that two individuals who were not trustees of the trust that owned a life insurance policy lacked standing to request a hearing.

The insured and his insurance producer filed a complaint with the Maryland Insurance Administration (“MIA”) alleging unfair processing of the surrender of a life insurance policy owned by a trust. After the MIA found in favor of the insurer, the complainants requested a hearing.

Granting the insurer’s motion to dismiss, the Commissioner ruled that, under Maryland law, only the trustees were authorized to act on behalf of the trust. The Commissioner rejected the attempt to cure this lack of standing through a power of attorney. The Commissioner reasoned the power of attorney could not authorize the complainants to represent the trust at a quasi-judicial hearing because such representation would constitute the unauthorized practice of law.

For further information or for a copy of the decision, please contact **Bryan D. Bolton**, who represented the insurer in this matter, at 410.659.7754 or bbolton@fblaw.com. To learn more about our firm, or review past law bulletins, please visit www.fblaw.com.

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