

Manulife class action

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By David Williams

MORE than 300 Barbadians who are former policyholders with Manufacturers' Life Insurance Company have already signed up to be party to the class action suit filed against that company. Come tomorrow evening, Canadian attorneys Harvey T. Strosberg, Q.C. and Patricia Speight will be addressing scores of the 13 621 ex-policyholders on the possibility of getting compensation from Manulife's transferral of their policies to another company six years ago. When those policies were sold to Life of Barbados Ltd. in December 1996, Manulife's Barbadian policyholders became ineligible to benefit from demutualisation.

The two high-profile attorneys who arrived in the island yesterday, just one day after their first court appearance in Canada on the case, told the Barbados Advocate that Manulife's local policyholders had been basically "stripped of their policy rights".

"At the time that Manulife entered into its agreement with Life of Barbados on May 31, 1996, we say, Manulife knew that demutualisation was probably going to happen," Strosberg said.

He noted that evidence of this awareness could be seen in another transaction which Manulife made in the United States on the same day that it sold the policies of Barbadian policyholders.

"It transferred a block of business in the United States from its parent company to a subsidiary company (Manulife USA), and that term of the agreement preserved the policyholders' rights in the United States to participate in demutualisation."

A year earlier, Strosberg explained, the company had carried out a similar transaction with Hong Kong policyholders, transferring their policies to Manulife International, but retaining their rights of participation.

The implications of these two transactions will form a major plank in the attorneys' arguments to the court. Strosberg stressed that if the company had wanted to preserve the rights of Barbadian policyholders to participate in any eventual demutualisation, they could have done so, because they did so with its American and Hong Kong policyholders.

"There was no right that was protected for the people from Barbados when the transaction closed on December 31 1996," he stressed.

Strosberg and Speight, who have been working on the suit for nearly three years now, filed the action last December 3 in the Ontario Superior Court of Justice. Legal proceedings should be completed by the end of next year, the attorney said, with the court first to decide if the action should go to trial, and then conducting actual trial proceedings.

He stressed that Barbadians need not fear challenging a big corporation in a developed country, and is looking forward to representing them in the suit, commenced on their behalf by former policyholders Richard Mandeville, Marcus Jordan, Anthony Bowen, and former Supervisor of Insurance, Wismar Greaves.

“I spend my time suing big corporations,” said Strosberg, who was lead attorney in a number of major class action suits in Canada, including a Hepatitis C class action against that country’s Federal, Provincial and Territorial governments. Scores of former policyholders are expected to turn out at the Lester Vaughan School tomorrow afternoon to learn more about the class action suit.

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