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New York Life Loses on Motion to Dismiss Lawsuit Over \$1 Million Disability Insurance Policy

Federal Judge Alfred Covello ruled against New York Life Insurance Co.'s motion to dismiss a lawsuit over a \$1 million disability insurance policy.

By Robert Storage | August 03, 2018



New York Life Insurance Co. logo.

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A Connecticut federal judge has denied New York Life Insurance Co.'s motion to dismiss a claim that alleges the company failed to follow through on a \$1 million disability insurance policy.

U.S. District Judge Alfred Covello ruled Wednesday against the insurer, which maintained that Greenwich resident Paul Sorbera was late in filing his lawsuit.

Sorbera suffered a stroke in October 2010 and was disabled for 13 months before returning to work part time. He first sued New York Life Insurance in the U.S. District Court for the Southern District of New York in 2014.



Michael Zamat.

That case ended in dismissal in 2016

because prior counsel withdrew from the litigation before it came to a conclusion and there was no substitute counsel at the time to continue. The litigation got new new life in October 2017, this time with a lawsuit filed in federal court in Connecticut by Michael Zamat of Fairfield-based Peterson Zamat.

Representing New York Life is Patrick Begos, a partner with the Stamford offices of Robinson & Cole, an Am Law 200 firm with about 200 attorneys in nine offices. Begos did not respond to a request for comment Friday.

Sorbera alleged breach of contract, bad faith and violation of Connecticut's Unfair Trade Practices Act and the state's Unfair Insurance Practices Act.

But New York Life maintained the claims were all untimely and, even if they weren't, the plaintiff had not sufficiently pleaded his case.

The judge sided with Sorbera.

“The motion to dismiss counts one through three, based on contractual limitations and the expiration of the statute of limitations, is denied,” Covello ruled.

Sorbera claimed he had purchased and continuously paid all applicable premiums for a disability-insurance policy with New York Life, beginning in July 2001. Before suffering a stroke, he had run Alliance Consulting, an employment placement firm, earning about \$775,000, according to his lawyer. He filed an individual disability claim with New York Life in September 2011. But the insurer closed his claim in February 2012 without paying benefits, Zamat said.

“They really have not provided an argument on why they did not pay at the time, except to say my client did not provide a lot of the required documents. But he did provide all of the required documents,” Zamat told the Connecticut Law Tribune on Friday. “When someone pays a disability premium and then becomes disabled and are denied, it shows the greed and pernicious tactics on the part of the insurance company.”

Zamat said any statute of limitations on filing a lawsuit should be moot because the New York lawsuit was filed before May 26, 2014, when the company said the statute of limitations would have run out. But the insurer maintains that the statute of limitations should apply to when the Connecticut lawsuit was filed, which was in October 2017.

Zamat disagreed.

“They were put on notice by the New York lawsuit prior to the statute of limitations,” he said. “There was notice about this suit.”

In the company’s memorandum of law in support of the motion to dismiss filings in November 2017, New York Life said “each of [the] plaintiff’ s claims is untimely.”

“There is no allegation of actual or constructive fraud, sinister motive or dishonest purpose,” the memorandum states.

Zamat said he will now continue discovery in the case. He expects the trial to being in 2019.

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