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CASE SUMMARY: NAMED BENEFICIARY OBTAINED SUMMARY JUDGMENT AGAINST ESTATE OF BUSINESS PARTNER FOR PROCEEDS OF KEY MAN INSURANCE

**Insurance law – Life insurance – Key man insurance – Beneficiaries – Practice –
Summary judgments – Appeal – Evidence**

Brown v. Laurie, [2019] O.J. No. 1164, 2019 ONCA 175, Ontario Court of Appeal, March 6, 2019, J.M. Simmons, M.H. Tulloch and D.M. Brown JJ.A.

The defendant/appellant appealed a partial summary judgment granted in favour of the plaintiff/respondent.

The respondent and Mr. Laurie operated a jewellery store together through a corporation. As part of the business arrangement they each took out a life insurance policy on the other's life. They were each named the sole beneficiary of the other person's policy. The company paid the premium. Mr. Laurie became ill less than a year after the business venture was started and he later died. A dispute arose between the respondent and Mr. Laurie's estate with respect to the proceeds of the insurance policy.

The respondent commenced an action against Mr. Laurie's estate seeking two forms of relief. First, he sought a declaration that he was entitled to the proceeds as the named beneficiary under the life insurance policy. Second, he sought judgment on a \$42,000 promissory note he alleged Mr. Laurie had executed in respect of the balance of the subscription price he owed for his shares in the company.

The respondent moved for summary judgment on his claims in respect of the proceeds and the promissory note. The motion judge granted summary judgment declaring the respondent entitled to the proceeds of the insurance policy but dismissed the summary judgment application on the promissory note and instead directed a trial of that claim.

The appellants argued the motion judge made two main errors. First, granting judgment in respect of the insurance proceeds based solely on the documentary evidence without hearing oral evidence and, second, granting judgment on the insurance proceeds claim while directing a trial on the promissory note claim when the two matters were interconnected.

The Court of Appeal was not persuaded by either submission and dismissed the appeal.

This case was digested by [Cameron B. Elder](#), and first published in the LexisNexis® Harper Grey Insurance Law Netletter and the Harper Grey Insurance Law Newsletter. If you would like to discuss this case further, please contact Cameron B. Elder at celder@harpergrey.com.