

HARPER GREY LLP
3200 – 650 West Georgia Street
Vancouver, British Columbia, V6B
4P7
Canada

Tel: 604 687 0411
Fax: 604 669 9385

CASE SUMMARY: INSURER ENTITLED TO RECTIFICATION OF LIFE INSURANCE POLICY SHOWING, IN ERROR, PAID UP VALUE OF \$13.4 MILLION

Insurance law – Life insurance – Terms of policy – Rectification – Practice – Appeals

Alguire v. Manufacturers Life Insurance Co. (c.o.b. Manulife Financial), [2018] O.J. No. 1099, 2018 ONCA 202, Ontario Court of Appeal, March 1, 2018, K.N. Feldman, E.A. Cronk and C.W. Hourigan JJ.A.

The insured appealed from the dismissal of his action against his insurer, in which the insured sought declaratory and mandatory relief requiring the insurer to honour the terms of a life insurance policy.

The issue related to the value of the policy. When the insured purchased the policy in 1982, it had a \$5 million face value. The insured relied on a statement in the policy listing a paid-up value of \$13.4 million. The insured argued this paid-up value reflected his request for inflation protection. The insurer denied the insured had requested inflation protection and took the position the paid-up value was a mistake.

The trial judge held the listed paid-up value was a common mistake that entitled the insurer to the equitable remedy of rectification. The trial judge found the action lacked “any objective air of reality.”

The appeal was dismissed.

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.