

Traveler Insurance Policy Prompts Lawsuit

Major insurers routinely refuse to issue life insurance policies to Americans who have traveled to Israel or plan to do so in the future, a lawsuit filed in Los Angeles Superior Court charges.

The suit accuses 14 insurance companies of unfair business practices under California law and seeks an injunction to forbid companies from denying insurance to travelers to Israel.

Allen Estrin, producer of the nationally syndicated Dennis Prager radio talk show, is the plaintiff in the case.

"Two years ago, I went to Israel on business," said Estrin. "Just before or after I went, I applied for life insurance to the Banner Life Insurance Company. I took a physical and everything seemed to be going smoothly."

A few weeks later, Estrin's insurance broker called him to report that Banner, headquartered in Rockville, Maryland, and a subsidiary of Britain's Legal and General Group Plc., had turned him down.

Estrin asked why and the broker said it was because of his trip to Israel, and that the same company policy applied if he were planning to visit Israel in the future.

"It didn't make any sense to me, " Estrin said. "Why not have the same rule for travelers to Spain after the Madrid train bombing, or to Athens for the risky Olympic Games, or even to the United States after 9/11?"

The broker checked other insurance companies and got the same turndown, though Estrin just recently got a life insurance policy through West Coast Life.

In defense of the companies, Jack Dolan, spokesman for the American Council of Life Insurers in Washington, D.C., said that travel to any country, "where health or security concerns exist is a legitimate factor, among others, in deciding whether to underwrite a life insurance policy."

Dolan said that Israel was not being singled out, but that the same considerations applied to all 27 countries for which the US State Department has issued travel warnings.

"There are 1,200 life insurance companies in this country, so if an applicant is turned down by one, he should try another," he said. "Each company has its own criteria."

Attorneys William Shernoff and Lisa Stern, representing both Estrin and the general public, said that such discrimination against past and future travelers to Israel could further hurt the country's hard-hit tourist industry. They also hope that, with enough public pressure, insurers might halt the practice voluntarily.

Further pressure may be forthcoming through a bill introduced by Congressman Rahm Emanuel (D-Illinois), which would forbid companies to discriminate on the basis of travel to any country, but does not specifically mention Israel.

The New York and Illinois state legislatures are considering similar bills.

Named in the suit are the following life insurance companies: Banner, Pacific, Alliance, Transamerica Occidental, Manufacturers, John Hancock, Jefferson-Pilot, New York, Northwestern Mutual, Prudential, State Farm, Allstate, Hartford, and Travelers.