

“I tell people, ‘I know you would like this money while you’re alive, but you’re better off waiting,’” said Michael Hoover, managing partner of Louisiana law firm Interpleader Law. “Spend your remaining days trying to enjoy yourself as best you can, rather than fight with a soulless insurance company.”

Colin Bancroft, a wastewater-treatment operator for King County, Washington, was diagnosed with stage-4 leukemia at age 61 in 2017. His doctor estimated his life expectancy at 24 months: short enough for Bancroft to claim an accelerated-death benefit under his employer’s life insurance.

The insurer that issued the policy, Minnesota Life Insurance, rejected the claim. It said Bancroft’s doctor had relied on an outdated medical study that didn’t reflect treatments he was receiving.

Bancroft sued and the insurer later paid the benefit after new information about his life expectancy emerged in court. A federal court and an appeals court, however, upheld the initial decision to reject the claim. Bancroft died in 2021 at age 64, four years after his initial diagnosis, records show.

A spokesman for Securian Financial Group, which owns Minnesota Life, said that “as the courts confirmed, we acted appropriately on this matter.”

His widow, Claudia Bancroft, didn’t respond to requests for comment.

Sometimes, policyholders are simply unaware they have the right to claim an accelerated-death benefit. Cathleen Sarno sued insurer Sun Life & Health Insurance and electronics company Nikon following the 2019 death of her husband, Nicholas. Sarno and her two daughters were left “high and dry,” without a penny from his \$850,000 life-insurance policy, the lawsuit said.

Sarno’s policy, from his employer Nikon, offered him a \$500,000 accelerated-death benefit that would have “greatly benefited” him and his family as he battled late-stage pancreatic cancer, his widow’s lawsuit said.

But neither Nikon nor Sun Life, which administered the policy, alerted him to the benefit after being told of his diagnosis, according to the lawsuit. It also alleged Sun Life failed to warn him he had to convert the group policy to individual life insurance soon after turning 65 in July 2019. He missed the deadline and his coverage lapsed just three months before he died.

A spokesman for Nikon, which settled with Cathleen Sarno confidentially in January, declined to comment. A spokeswoman for Sun Life declined to comment on the lawsuit

but said that “as a claim administrator, we must consistently apply the policy provisions for all members.” A lawyer representing Sarno declined to comment.

Disputes over accelerated-death benefit claims are often settled on confidential terms, consumer advocates said. The deals can leave policyholders’ families worse off, according to plaintiff lawyers. “A lot of times, to be sneaky, they’ll offer you \$10,000 or \$20,000, hoping you’ll take that, and the death benefit will go to nothing,” the lawyer Hoover said.

Taylor, the Californian battling leukemia, said the prospect of an early benefit was exactly what he needed. His rapidly progressing illness left him unable to do his job as a lawyer. The benefit represented a much-needed source of cash to help pay regular bills, as well as pursue advanced medical treatments.

“The only thing that can be worse than experiencing cancer and the risk of death is facing the inability of our family to pay for our monthly living expenses,” he said.

His insurer, however, repeatedly rejected his claim for a \$250,000 accelerated-death benefit, on the grounds his life expectancy was longer than the one-year limit specified in his policies.

Days before Christmas in 2023, MassMutual offered \$90,000 to resolve his complaint—if he agreed to cancel his policies, sacrificing a \$1.55 million insured amount that would otherwise be paid to his schoolteacher wife, Lisa, after his death, public documents show. He rejected what, in an email to his insurer, he called the “insulting, unfair” offer.

In December, after Taylor’s doctor had signed a “terminal illness” statement saying medical complications made his prognosis poor, MassMutual increased its settlement offer to \$400,000—more than four times the amount offered a year earlier, but still conditional on canceling his policies. Taylor again said no.

A deal was finally struck earlier this year. Taylor wouldn’t discuss the settlement, which MassMutual insisted was made on confidential terms. A spokeswoman for the insurer, which received Taylor’s permission to discuss his case, said his life-insurance policies remain in force after the pact.

The MassMutual spokeswoman added that the insurer never received a doctor’s certification that Taylor’s medical condition met his policy’s definition of terminal illness. “As such, it was not appropriate for MassMutual [to] fulfill his claim request,” she said.



Taylor hopes the story of his fight will help others in similar situations.

Taylor's type of cancer typically has high five-year survival rates. But that life expectancy can shorten markedly if there are the kind of medical complications he has suffered. Since his initial diagnosis, Taylor has been hospitalized repeatedly with life-threatening sepsis and pneumonia. His doctor in the fall put his life expectancy at less than 24 months.

Taylor, who is taking chemotherapy medication, said that he hoped the story of his monthslong fight would help others in a similar situation.

"For an insurance company, these claims are a game of numbers," Taylor said. "But for a family in my position, it's the difference between financial survival and catastrophe."