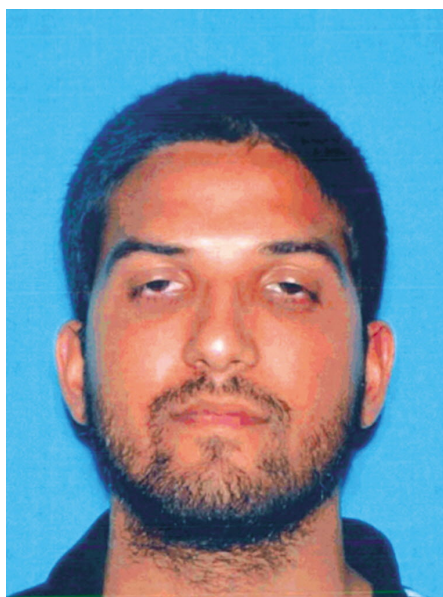




Battle over who gets Dec. 2 terrorist's life insurance benefits

By [RICHARD K. DeATLEY](#)

2016-08-12 15:13:58



CORRECTION: An earlier version of this story misidentified the name of the department Farook worked for.

When a federal judge put a hold on more than \$280,000 in life insurance benefits that San Bernardino mass-slaying terrorist Syed Rizwan Farook designated for his mother, several readers wondered why there were any payments at all.

How could there be any benefits when the insured person died during a shootout with law enforcement officers after committing the Dec. 2 attack at the Inland Regional Center in San Bernardino that left 14 people dead and 22 wounded?

The prime beneficiary is Farook's mother, Rafia Farook. The insurance company contends she knew of the attack. She has not been charged.

"Does it matter if she knew? I mean they were committing a horrendous crime where they killed alot of people plus killed by police. Would not the policy be null and void at that point, it would not matter who the beneficiary is?" asked reader Kevin Coghlan under a version of the story ran in the San Bernardino County Sun.

But it appears beneficiaries can collect, if the policy did not explicitly exclude payment because of criminal acts, a legal expert said.

Farook and wife Tashfeen Malik died a few hours after the massacre in a shootout with law enforcement officers.

All but one of the fatalities worked for the San Bernadino County Public Health Department, but not all of them were inspectors like Farook. They died at a holiday gathering and training session in a rented room at the center.

Farook had taken out the \$275,000 in two insurance policies as part of his employee benefits with the county.

But now the money, which has grown with interest, is bound up in court, in a kind of escrow until issues over who gets it are resolved.

There are at least two actions in the dispute.

- The U.S. Attorney's Office in Los Angeles says the insurance benefits are subject to civil forfeiture, as "assets derived from a federal crime of terrorism," according to a May 31 complaint. It has said the money should go to the families of victims and the survivors.

That is the matter Riverside federal court Judge Jesus G. Bernal acted on last week, agreeing the government has shown probable cause that the now \$280,756.17, being held by the U.S. District Court Clerk, is subject to forfeiture.

Bernal said in his ruling that challenges can be filed to the government's forfeiture.

- Minnesota Life filed on June 8 a "complaint in interpleader" an action brought by a third party— in this case the insurance company — when two other parties are disputing a payment. The filing said the government had requested the action.

The insurance company's action names all three parties who claim the benefits: Rafia Farook, contingent insurance beneficiary Saira Khan (the daughter of Rafia Farook and Syed Rizwan Farook's sister), and the United States.

But along with declaring that the dispute "can only be resolved with the assistance of the Court," the insurance company added that it believed Rafia Farook "had material knowledge of, and/or participated in, the planning of the terrorist attack executed by" her son, Farook.

During a search of Farook's and Malik's home following the shootings, FBI agents seized bomb-making materials and thousands of rounds of ammunition.

Rafia Farook lived with the couple in their Redlands condo, along with their then-six-month-old daughter. She filed a claim for the insurance benefits in April.

"Minnesota Life is therefore uncertain as to whether it is obligated to pay a death benefit to a beneficiary who had material knowledge of, and/or participated in, the planning of the terrorist attack executed by" Syed Rizwan Farook.

Rafia Farook has not been charged with any crimes in connection with the mass shooting, and the allegations in the civil action have not been resolved.

Why Are There Payments At All?

"In California, for life insurance policy coverage, there is an exclusion for criminal acts," said attorney Samuel Bruchey, who specializes in insurance litigation with the Beverly Hills law firm of Shernoff Bidart Echeverria Bentley.

"If a claim is filed under a policy after the insured died while committing a felony, there would be no coverage under the policy and the insurance company would have no obligation to pay," Bruchey said in a telephone interview on Thursday.

But, he added, while the exclusion cause is common in California, "it is not ubiquitous."

Without access to Farook's policies, Bruchey declined to speculate whether such a clause was absent.

But court papers by Minnesota Life do say the benefit under the policies "has become due and owing" and "admits that the death benefit payable under the Policies is \$275,000."

And the cases are being litigated over where the payments should go, not whether they should be made. The company signed checks over to the clerk's office in early June.

Attorneys for Minnesota Life did not respond to an email seeking comment.

What Needs Sorted Out?

"There are several things going on, and several things that are contradictory," said David T. Russell, the director for the Center for Risk and Insurance, and professor of insurance and finance at Cal State University Northridge.

"What they are saying is, 'Here is the money, your honor. The insured did die, and we owe somebody.'"

Russell said the issue is determining who that somebody is.

"The sister, the mother, the victims — it is not clear whose money this is," Russell said.

But under the law and terms of life insurance contracts, Minnesota Life is obligated to make a quick payment to avoid being sued for bad faith. In this case, the money went to the court clerk for holding, Russell said.

With all parties agreeing this week, Bernal has stayed action on the insurance company case until early October, and asked for an update before then on the status of that case and the one filed by the U.S. Attorney's Office to seize the insurance money.

Writer Gail Wesson contributed to this report.

Contact the writer: rdeatley@scng.com or 951-368-9573

© Copyright 2016 Freedom Communications. All Rights Reserved.
[Privacy Policy & Terms of Service](#) | [Copyright](#) | [Site Map](#)