

**IN THE COMMONWEALTH OF THE BAHAMAS
IN THE SUPREME COURT
COMMON LAW AND EQUITY DIVISION
2019/CLE/gen/01775**

BETWEEN

CHAVIS S. RAHMING

First Claimant

AND

ANSTACIA E. ADDERLEY

(as Co -Administrator and Legal Guardian of Amber A. Rahming)

Second Claimant

AND

SUDIA MUNROE

(as Co-Administrator and Legal Guardian of Amber A. Rahming)

Third Claimant

AND

SCOTIABANK (BAHAMAS) LIMITED

Fourth Claimant

AND

COLINA INSURANCE LIMITED

Defendant

Before: Her Ladyship The Honourable Madam Senior Justice Deborah Fraser

Appearances: Mr. Joseph Moxey for First, Second and Third Claimants

Ms. Shanelle Bethel for Fourth Claimant

Mr. E. Terry North and Mr. Darzhon Rolle for the Defendant

Hearing Date: 16th October 2024

**Application for Leave to strike out and remove the First, Second and Third Claimant—
Rule 19.2 (5) of the Supreme Court Civil Procedure Rules 2022**

RULING

FRASER, SNR.J

[1.] This application was filed by the Defendant, Colina Insurance Limited (“Colina”) seeking to strike out the First Claimant, Chavis Rahming, Second Claimant, Anastacia E. Adderley, and Third Claimant Sudia Munroe (collectively “the Claimants”) from these proceedings.

1.1 The ground for the Defendant’s application is that the First, Second and Third Claimants have no legal or beneficial interest in the life insurance policy issued by the Defendant to the deceased, Albert Hesketh Rahming Jr,

1.2 the dispute concerning the assignment of the said policy lies between the Fourth Claimant, Scotiabank (Bahamas) Limited, and the Defendant, and

1.3 the First, Second and Third Claimant have no standing in these proceedings.

BACKGROUND

[2.] The substantive issue in this matter centers on the validity of an alleged assignment of the deceased’s Life Insurance Policy (Policy No. 28003487) to the Fourth Claimant, Scotiabank (Bahamas) Limited.

[[3.] The deceased, Albert Hesketh Rahming Jr., passed away on 13th November 2016. Following the death of the deceased, Letters of Administration were issued to the Claimants, who are Co-administrators of the deceased estate and Legal Guardian of his minor children.

[4.] The Claimants assert that Colina failed to honour the life insurance policy, leading to Scotiabank refusal to issue a Certificate of Satisfaction for a mortgage held by the deceased. They claim this failure adversely jeopardized the estate and infringed their legal right.

[5.] Colina argues that the Claimants are not beneficiaries under the policy and lack legal standing in this dispute, which centers solely on the validity of the alleged policy assignment to Scotiabank.

ISSUES

[6.] The key issue is whether the Claimants have the locus standi to participate in these proceedings under Rule 19.2(5) of the Civil Procedure Rules (“CPR”).

LAW

[7.] The Court’s power to remove a party from a proceeding is found in **CPR Rule 19.2 (1)(a)** and **Rule 19.2(5)** which provides:

“19.2 Change of parties.

(1) The Court may add, substitute or remove a party—

(a) on application by a party; or

(5) The Court may by order remove any party if it considers that it is not desirable for that person to be a party to the proceedings.”

[8.] According to Section 2 of the Insurance Act Chapter 347 “policyholder” is defined as the person who holds legal title to the policy, including the assignee.

[9.] Section 168 of the Insurance Act Chapter 347 (Ch. 347”) provides that an assignee who gives notice of an assignment becomes the policyholder, with rights and interests under the policy. Beneficiaries or other parties without a direct legal interest cannot assert claims on the policy.

EVIDENCE

The Affidavit evidence of D’Andra Johnson (“Johnson Affidavit”)

[10.] On 11th October 2024, Colina filed the Johnson Affidavit which provides that the Defendant issued a life insurance policy to the deceased in 1996, with the deceased’s mother, Marie Rahming, as the primary beneficiary. After the deceased’s death, Mrs. Rahming received a total payout of \$172, 352.41 including an accidental death and dismemberment benefit. The Claimants allege the policy was assigned to Scotiabank in 2006, but the validity of this assignment is disputed and is the central issue of the proceedings.

[11.] The Johnson Affidavit further provides that the Claimants are not the primary beneficiaries under the policy, nor are they the policy owners. Further, they have no legal or beneficial interest in the policy and no cause of action against the Defendant.

Affidavit of Anastacia E. Adderley (“Adderley Affidavit”)

[12.] On 3rd August 2018, the Claimants were granted Letters of Administration in 2018. On 7th November 2024, the Claimants filed the Adderley Affidavit resisting the Defendant’s Application to have the Claimants struck out under CPR 19.2(5).

[13.] At the time of the deceased death, the policy was secured against a Mortgage held by the deceased with Scotiabank. After the deceased death, Scotiabank failed to apply the policy proceeds to the mortgage. Consequently, the Claimants as beneficiaries of the Estate brought this action against Scotiabank and Colina for breach of contract, asserting a legal and beneficial interest in the policy as Co-administrators of the estate.

Claimant’s Submissions

[14.] The Claimants assert that they have locus standi to protect the estate’s interest in the payment of a Life Insurance policy. The Claimants contend that the policy proceeds should have been applied to settle the mortgage, and their rights have been threatened and/or infringed and relied on *Glinton v Cash* [1986] BHS J. No.16.

[15.] During the hearing Counsel for the Fourth Claimant agreed with the submission of the Defendant and submitted that the Fourth Claimant also have a beneficial interest. However, no written submissions were obtained in that regard.

[16.] The Defendant's submission denies the Claimant's assertions, reiterating that the policy was assigned to Scotiabank. The Defendant argues that the Claimants are attempting to assert a right where none exists and should be removed from the proceeding to focus on the core dispute between the Defendant and Scotiabank.

DISCUSSION

[17.] The evidence establishes that the Claimants are neither the policyholders nor the designated beneficiaries of the life insurance policy. The primary beneficiary under the policy was the deceased's mother, Marie Rahming, who has already received payment.

[18.] It is not in dispute that the Claimants are co-administrators of the deceased's estate, this does not grant them a legal or beneficial interest in the policy itself. The terms of the policy and its assignment govern the rights to the proceeds, and the Claimants lack standing to challenge these terms.

[19.] The Defendant correctly relies on **O'Reilly v Prudential Assurance Co. Ltd [1934] Ch. 519**, which establishes that the right to receive and discharge money under a life insurance policy is governed exclusively by the terms of the contract. In short the Claimants, as Administrator and Co-Administrators of the Estate, cannot directly assert any rights under the policy itself.

CONCLUSION

[20.] The Court finds that the Claimants lack legal standing in these proceedings. Their involvement is unnecessary as the dispute pertains solely to the alleged assignment of the life insurance policy to Scotiabank.

[21.] The First, Second and Third Claimants are hereby removed as parties to these proceedings. The Fourth Claimant, Scotiabank (Bahamas) Limited, is the appropriate party to pursue this claim against Colina.

[22.] The application to strike out the First, Second and Third Claimants is granted. The First, Second and Third Claimant's claims are dismissed, and they are hereby removed as parties to this matter. Costs to the Defendant to be taxed if not agreed.

Dated this 25th November 2024

**Deborah E. Fraser
Senior Justice**