

Beware the Black Widow at Claim Time: A Report of Three Cases

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Moral hazard is well known to life insurance underwriters and medical directors to increase the risk of adverse consequences to insured individuals. The underwriting investigation of proposed insureds at time of policy issue is done to ensure no likely moral hazard exists. However, not all situations involving moral hazard may be identified at time of underwriting and policy issue, and may only be identified at time of claim. Three cases that were underwritten for life expectancies in legal matters are described here as examples of moral hazard identified at time of severe injury and/or death. All three of these cases involved a woman who manipulated her male partner into situations that increased the man's risk of severe injury and/or death to the woman's financial benefit. Such "black widows" made a great deal of effort over an extensive period of time to ensure that the moral hazard set up for their male partners resulted in a substantial financial windfall through litigation. The moral hazard set up by a black widow thus can be considered by the life insurance industry as sufficiently anti-selective and speculative to deny a claim at any time after policy issue.

INTRODUCTION

Moral hazard can be present when one party engages in extremely risky behavior leading to severe injury and/or death that another party cannot control and must indemnify. In life insurance, moral hazard can be present when an insured dies after engaging in extremely risky behavior and the life insurer is required to pay the claim.

Financial underwriting at the time of policy issue seeks to identify and avoid situations involving moral hazard by verifying insurable interest and limiting total face amount of coverage so that no insured becomes worth more dead than alive. Medical underwriting at the time of policy issue seeks to identify and avoid situations involving moral hazard by declining individuals who engage in risky behavior such

as driving under the influence and noncompliance with medication and treatment.

However, the lure of large financial rewards that are made under certain specified conditions are attractive to people who believe they can create moral hazards that are not readily identifiable in order to meet those specified conditions and benefit from them. These fraudsters understand what conditions are necessary to gain a large financial reward, and seek ways to create and establish moral hazards that are not addressed by the detection measures typically taken to counter such situations.

Women who manipulate their male partners into moral hazard situations to the woman's financial benefit are "black widows" seeking a "big score" from their partner's severe injury or death. However, manipulation of a personal relationship for financial gain is not exclusive

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to any gender or any type of relationship. In this case report, the “black widows” were all women and their partners were all men.

Three cases underwritten for life expectancies in legal matters are discussed as examples of moral hazard discovered at time of severe injury or death. Although all three of these cases involved the seeking of large financial rewards as a result of litigation, the same “under the radar” anti-selective and speculative intent and approach may be likely found among black widows who seek large financial rewards as a result of a life claim.

CASE #1: Increased Risk from Neglect and Noncompliance

A 43-year-old male with traumatic brain injury (TBI) that occurred at age 39, uncontrolled paranoid schizophrenia, untreated alcohol use disorder, uncontrolled type 2 diabetes, morbid obesity and a long history of violent assaults and incarcerations was underwritten for a life expectancy in a legal matter.

The black widow in this case was his girlfriend, who filed a personal injury lawsuit over the TBI, demanding over \$1 million in damages plus additional monetary awards for loss of consortium, pain and suffering. The following is what the black widow did to create and orchestrate this situation to her advantage.

This patient first met the black widow when he was 35 years old after he was released from prison and admitted to a psychiatric ward. She was a nurse who assumed his care at night and at that time engaged in a sexual relationship with the patient.

After the patient was released from the psychiatric ward and went to live with his sister and her two very young children in a small apartment, the black widow negatively influenced the patient to cause stress and tension in the relationship with his sister. Ultimately these tensions culminated in a confrontation between himself and his sister, with the patient becoming threatening to the safety of his sister and her children. After the sister and her children

fled their apartment in fear, the patient abused and killed the family cat.

As a result of this incident, the patient was again admitted to a psychiatric ward as gravely disabled and his family no longer had confidence in their ability to care for him. Although the sister had made arrangements for alternative housing and care for the patient, the black widow picked up the patient from his alternative housing without notice and moved the patient in with her. The patient thus became wholly dependent on the black widow for his care and became isolated from his family’s support.

Over time, despite prior issues with the use of vehicles and noncompliance with medications and treatment, the black widow gave the patient access to a vehicle and did not ensure that he was compliant with medications and treatment. Although the black widow became established as the patient’s caretaker and received his government stipends on his behalf, she negatively influenced the patient so that he repeatedly engaged in violent confrontations with her, abusing and killing her pets. The black widow filed several police reports against the patient and would leave the patient alone in her home and live elsewhere whenever she felt afraid of the patient.

The patient eventually left the black widow’s home and became homeless, living in the car the black widow gave him, and committing acts of violence in the community. After the patient was released from prison for these violent assaults, instead of bringing him back to her home and re-establishing his care, the black widow dropped him off at a local mall. A series of events then led to the patient boarding a bus to another state and being hit by a car as a pedestrian in that state, causing his TBI. That motor vehicle accident then became the subject of a personal injury lawsuit that the black widow filed on behalf of the patient.

After his TBI, the patient became physically disabled and was brought back to live with the black widow as his caretaker. Every

day the patient was dropped off by the black widow to spend the entire day at a local coffee shop, where he had unsupervised access to alcohol, a poor diet, and the defenseless shop staff and public. The patient developed uncontrolled Type 2 diabetes and morbid obesity, but the black widow did not allow these conditions to be treated until the patient was hospitalized for diabetic ketoacidosis.

The nursing board reviewed and took action on complaints by the patient's family against the black widow. The black widow encouraged the patient to read the complaints against her and see these complaints as threats to himself. The patient became convinced that the nursing board and his family wanted to hurt him, and he wrote numerous letters to government authorities demanding justice. The nursing board investigation and subsequent proceedings were blamed as the underlying cause of the patient's subsequent decompensation and hospitalizations.

An underwriting impression was formed that if the patient received any compensation from his TBI lawsuit, a moral hazard would exist that would put the patient's life at risk from any likely acts of neglect and harm by the black widow if she were to become a beneficiary of his estate. This moral hazard exceeded any statistical mortality risk associated with the patient's severe mental and physical conditions.

CASE #2: Increased Risk from Suicide

A 59-year-old male with a history of chronic suicidality, intermittent explosive disorder, panic attacks, major depressive disorder, alleged post-traumatic stress disorder (PTSD), untreated alcohol use disorder, chronic pain syndrome, narcotic-seeking behavior and former smoking was underwritten for a life expectancy in a legal matter. On the day of his death the patient intentionally engaged and provoked police officers into shooting him as an apparent "suicide by cop."

The black widow in this case was his wife, who filed a wrongful death lawsuit against the

police officers and county demanding over \$3 million in damages plus additional monetary awards for loss of consortium, pain and suffering. The following is what the black widow did to create and orchestrate this situation to her advantage.

The patient met the black widow many years previous to his death while he was serving as a mechanic on a ship in the Navy, and she was his commanding officer. The patient obtained a PTSD service connected disability rating several years after he was discharged from the Navy by alleging that he was stalked by another seaman stationed on that ship, and the experience caused him to have a delayed PTSD reaction.

The black widow helped the patient to successfully file his claim of alleged delayed onset of unrelieved stress, nightmares and insomnia related to the alleged stalking in order to obtain the PTSD service connected disability rating and its benefits. However, in deposition after the patient's death she described the stalking incident as so mild that the dispute was amicably resolved between the two men with the help of the ship's chaplain.

The black widow not only enabled the patient to increase their income by helping him to successfully falsify his PTSD service connected disability claim, but she also defended his narcotic-seeking behavior by attributing the patient's severe mental disorders and violent behavior to pain associated with alleged medication side effects.

The patient seldom left the house and sat in his sun room all day staring, avoiding interpersonal contact as much as possible due to his extremely bad temper and threats of violence. He had a history of being hospitalized for suicidal behavior where he completed 7 treatments of electroconvulsive shock. He also had a history of sending the black widow out of state multiple times for her own safety, as the black widow had received Tarasoff warnings of extreme danger from the patient's mental health providers.

The black widow convinced the patient that their neighbor was vandalizing his tractor.

The patient started to threaten the neighbor. The black widow convinced the patient that he needed to take matters into his own hands to stop the neighbor from vandalizing his tractor. The patient put up a barricade at his neighbor's house to prevent the neighbor from leaving his house to vandalize the patient's tractor.

On the day of his death, the patient blocked his neighbor's driveway with large boxes, so the neighbor called the police. Police officers arrived at the scene, cleared the boxes from the neighbor's driveway and then walked over to the patient's home. The patient was standing in his driveway waiting for the police to meet him amid many large boxes and farm equipment arranged in a fortress-like manner. When the police officers started asking the patient what was going on, the patient reached into an open box on the ground and pulled out a loaded and cocked crossbow, aiming it directly at the officers. The patient was then shot in the heart and died instantly.

The day before his death, the black widow engaged in sex with the patient, left him a note of praise and assurance, and went out of state. In deposition, she said that she went out of state for a pleasant family visit, with no mention of any conflict or personal danger as previously experienced from the patient. The black widow said that the crossbow was used by the patient to get rid of feral pigs and coyotes on their land, and that the police officers must have threatened the patient in some way or else he would not have done what he did.

An underwriting impression was formed that the patient was influenced by the black widow to engage in extreme and aggressive suicidal behavior involving terrorist threats against police officers acting in the line of duty. This moral hazard exceeded any statistical mortality risk associated with the patient's severe mental and physical conditions.

CASE #3: Increased Risk from Alcoholism

A 58-year-old male with a history of untreated alcohol use disorder, IV drug abuse, remote

stroke, gastroesophageal reflux disorder, achalasia, hypertension, obesity, and gout who sustained a TBI after his motorcycle collided with the back of a car stopped on the roadway was underwritten for a life expectancy in a legal matter. Although he wore a helmet, the patient did not act safely to brake his motorcycle to avoid the collision. The TBI from the motorcycle's impact caused hydrocephalus and spastic hemiparesis, and the patient's resulting disability at the present time requires skilled nurses to visit his home every day for his care.

The black widow in this case was his wife, who filed a personal injury lawsuit against the convenience store that owned the truck that was stopped on the road to make a left turn into the convenience store's parking lot. However, the patient's motorcycle actually collided with the last of four cars that had already stopped behind the truck, waiting for the truck to complete the left turn off the road. The black widow's lawsuit misrepresented that the truck's rear brake lights were defective, so that the alleged sudden stop of the truck to make the left turn caused the patient to steer evasively and get thrown from the motorcycle.

The alleged "unreasonably dangerous and defectively designed" rear brake lights were the reason why the black widow's lawsuit also included the truck's manufacturer as a defendant, thus bringing in "deep pockets" to increase the likely reward from the lawsuit. The black widow demanded over \$5 million in damages plus additional monetary awards for loss of consortium, pain and suffering. The following is what the black widow did to create and orchestrate this situation to her advantage.

The patient and the black widow met when they were both in their 30s. The patient at that time was a district sales manager for an electrical equipment company, and the black widow was a high school physical education instructor for girls' field hockey and soccer classes. The patient's substance abuse caused the patient to be fired from his job when he was 48 years old, and he never sought gainful employment

afterwards. The black widow explained in deposition that the patient simply wanted to take time off from work and help raise their two children. The black widow never sent the patient to rehabilitation to treat his alcohol use disorder, and thus encouraged the patient to remain as an alcoholic.

In the ten years since her husband allegedly became “retired” from work, the black widow did not change her occupation, yet in deposition she revealed that she and the patient owned several real estate properties of significant worth, including a lavish vacation home. Where the money came from to purchase these properties was not fully explained, other than a \$40,000 inheritance from the patient’s father. It is more likely than not that the black widow and the patient derived their income from litigation that involves injuries associated with the patient’s alcohol use disorder.

It is more likely than not that the patient was intoxicated at the time of his motorcycle accident, which caused him to act in an unsafe manner. At the time of the motorcycle accident, emergency department (ED) records show that the patient was put on an ethanol taper for “presumed alcoholism and IV drug abuse based on history acquired from the family.” Although his blood alcohol concentration was not tested, he did have elevated liver blood tests, anemia and elevated urobilinogen.

With this motorcycle accident, the black widow maintained her longstanding practice of setting up the patient to be injured while intoxicated so that their income from lawsuits could continue. When the black widow was asked in deposition about who from his family told the ED doctors that the patient had a history of alcoholism and IV drug abuse, the black widow denied that the patient had any kind of substance abuse disorder and she did not know who gave that information to the doctors. She also denied to his subsequent rehabilitation care providers that the patient had alcohol use disorder, even though instructions were given to rehabilitation facility staff to not allow the patient to have alcohol.

When the patient first arrived at the rehabilitation facility for his TBI after discharge from the ED and acute care, records show that he made good progress in gaining back his strength, coordination and mental acuity. After this initial progress occurred, the black widow then got involved in the patient’s rehabilitation, with daily attendance at the facility to oversee and provide input into the patient’s treatment decisions that influenced the care of the patient.

After the black widow became involved in the patient’s rehabilitation, the patient’s condition started to deteriorate to the point where he developed myoclonus, severe dysarthria, dysphagia and sleep apnea. He also developed paroxysmal atrial fibrillation and sinus bradycardia with pause, which was treated with a permanent pacemaker.

It was unclear to the care providers what caused this decline, with “toxic metabolic derangement of unknown etiology” indicated as the explanation. Unknown to the patient’s rehabilitation care providers, the black widow was supplying alcohol daily to the patient, to the point where he became so chronically intoxicated that he was diagnosed with dementia.

After the black widow became involved in the patient’s rehabilitation, the patient did not show up for most of his physical therapy sessions, with the black widow stating to the physical therapists that he had poor sleep the previous night and therefore he could not be compliant with his physical therapy. The patient’s physical condition continued to deteriorate with his continued noncompliance with physical therapy.

The depression questionnaires given to the patient never admitted problems with sleep, and also never admitted problems with depression, which was inconsistent with the patient’s behavior. The black widow filled out the patient’s depression questionnaires for him and claimed that the patient suffered from anxiety and agitation, not depression. Given that the patient continued to experience elevated liver blood tests, anemia and elevated

urobilinogen during his stay in rehabilitation, as well as noncompliance with physical therapy, the degradation of the patient's mental and physical conditions reflected the patient's continued abuse of alcohol.

After the patient was discharged from rehabilitation and sent home in the care of the black widow and visiting skilled nurses, he displayed combative and aggressive behavior. The visiting nurses reported that the patient would hit them or throw things at them like plates and water bottles in chronic displays of anger. The patient would not communicate with them, it was the black widow who would tell the nurses what the patient wanted.

From an underwriting perspective, the many instances of inconsistency in this case indicate red flags for malingering and fraud. Such inconsistencies include: the lack of earned income vs. significant assets, the actual facts of the accident vs. the alleged facts stated in the lawsuit, the denial of alcoholism despite clear signs of alcohol abuse, and the decline of the patient mentally and physically due to undisclosed alcohol abuse and noncompliance with treatment.

It appears that the black widow is seeking to degrade the patient's mental and physical conditions as much as possible so that the monetary awards from the motorcycle accident lawsuit and future lawsuits would be maximized. It is likely that the patient's mental and physical conditions will become so degraded from alcohol abuse and noncompliance with treatment that his risk of death is greatly increased.

The black widow would then likely claim that the motorcycle accident involved a wrongful death, which is likely to yield the largest possible reward for the black widow. The patient appears to be manipulated and under the complete control of the black widow, yet he appears to be very angry about his situation that he is unable to change.

DISCUSSION

All three cases involved a woman who manipulated her male partner into situations

that increased the man's risk of severe injury and/or death to the woman's financial benefit. Each black widow invested years in setting up and carrying out her long-term plan to meet her financial goals through litigation. Each black widow understood how to take advantage of the legal system to ensure that she would end up in a position where she would not be held responsible for what happens to the man.

In the first two cases, the patients appeared to be oblivious to the black widows' plans. In the third case, the patient appeared to be aware of what the black widow was doing, yet he could not avoid her manipulation and control of his life. All of the patients' severe injuries and deaths appeared to be instigated and orchestrated by black widows to generate personal injury or wrongful death lawsuits that would ultimately reward the black widows for losing their partners' support and companionship.

CONCLUSION

Life underwriters and medical directors need to know that despite efforts made at time of underwriting and policy issue to detect and avoid moral hazard situations, there are women who are willing to commit years of careful planning in carrying out fraud to obtain large financial rewards. If these black widows are sufficiently sophisticated and knowledgeable in how to "work the system," they can reasonably expect their plans to be successful if they are diligent and have patience.

The black widows described in these three case reports were observed in a legal setting where large financial rewards are routinely disbursed. It is reasonable to conclude that such intent and behavior would similarly manifest itself in other settings, such as life insurance. How a likely black widow would "work the system" to defraud a life insurer would be specific to the conditions and resources available, which might not become apparent until a life claim is made.