

American Life Insurance Co  
1964 Bridgeport, Conn

Cleveland, Ohio, Press 8/10/1964



**HUNGARIAN FRATERNAL** insurance group's board of directors voted yesterday to take association out of Investment Life Insurance Co. of America. Seated are John P. Evans (left), Dr. Kalman Molnar, Stephen L. Segedy and Norman Tolson. Standing are Louis Janik, Sigmund Katzianer, Paul Molocko and Joseph Nagy.

## American Life Directors Vote to Quit ILICA

By FORREST ALLEN

Directors of American Life Insurance Assn. met in Cleveland yesterday afternoon and voted to get out of the tangled affairs of Investment Life Insurance Co. of America.

In its first board meeting since November, 1962, the Connecticut based fraternal

group directed its president, Stephen L. Segedy, to ask Franklin County Common Pleas Court for an order divorcing it from ILICA.

The association, made up of persons of Hungarian descent, represents about 12,000 life insurance policyholders. It was joined with ILICA in the latter part of 1962.

**ITS OPERATIONS** were taken over by State Insurance Supt. William R. Morris in April when he assumed control of ILICA under a court order.

Segedy called the meeting, held in attorney Maxwell J. Gruber's offices, because he was "fearful of present possibilities" in the operation, which might lead to liquidation of ILICA, he said.

The directors adopted a resolution in which they stated that ILICA has "breached its agreement" and therefore the relationship should be severed.

The directors also charged that American Life "was induced to enter into the

agreement by means of misrepresentations" on the part of ILICA.

**SPECIFIC CHARGES** against ILICA included "imprudent investment of assets" of the American fund and failure to pay policy dividends "when such should have been gone."

ILICA also was charged with "improper forgiveness of indebtedness owing the American fund."

Segedy said that the "imprudent investments" included the purchase of about \$240,000 worth of stock of the Port Clinton National Bank "for the benefit of a few people in ILICA who were forming a holding company."

He said that one of the debts that was "forgiven by ILICA" was a \$4500 advance in commissions to an insurance agent.

**"FURTHERMORE,** no dividend was voted for policyholders for last year, when the surplus of the American fund was ample to pay such a dividend," Segedy said.

The present directors and officers of American were elected to a four-year term beginning in October, 1964. If the court in Columbus directs their separation from ILICA as requested, a convention of the organization will be called, Segedy said.

"Our members, who are our policyholders, will then decide what they want to do and who they want to run the insurance business," Segedy said.

Here for the meeting were John P. Evans, Bridgeport, Conn.; Dr. Kalman Molnar, New York City; Louis Janik, Cleveland; Sigmund Katzianer, Philadelphia; Joseph Nagy, Detroit; Paul Molocko, Fairfield, Conn., and Norman Tolson, New York City.