

Death Claim

Ahmedabad Ombudsman Centre

Case No. : 21-001-0125

Smt. S J Patel

vs

Life Insurance Corporation of India

Award Dated : 5-10-2006

Repudiation of Claim under Life Insurance Policy: The Claim on death of the deceased Life Assured was repudiated since the DLA allegedly had 'the habit of using drugs' and 'suffered from Thrombosis and Paralysis since long for which he had taken treatment'. During the course of Hearing, the Complainant strongly denied the allegations. The Respondent had no documentary evidence other than the Claim Enquiry Report from their Officer and a letter from the Branch Manager. No statement of Document could be produced to substantiate repudiation. It seemed that the Respondent had gone only by the opinions formed by its Officers that too on hearsays. As such, the Respondent was directed to pay the full Claim amount.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0314

Mrs V D Malde

Vs

Life Insurance Corporation of India

Award Dated : 6-10-2006

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had in great detail informed the state of health and habits due to which several Special Medical Reports were called for and the Proposal was accepted with an extra premium by the Zonal Underwriting Section of the Respondent Insurer. The assured died within 10 months of the Proposal. The Claim on death of the deceased Life Assured was repudiated by the Respondent on the basis of Certificate of Treatment, Certificate of Hospital Treatment and Prescription and letters of Doctors and the Hospital. However, it was observed that all of the diagnosis/treatment commenced about 7 days after the date of acceptance of Risk. Suppression presupposes knowledge. All the documents exhibited, proved that the Deceased was not aware of his ailment at the time of taking the Proposal. As such, the Respondent was directed to pay the full Claim amount.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0356

Sri. R A Yusufjai

Vs

Life Insurance Corporation of India

Award Dated : 9-10-2006

Repudiation of DAB Claim : The Insured died while his Scooter was hit by a heavy truck. The Insured did not have a valid Driving Licence for driving the Scooter. Since non possession of the Driving Licence was a Breach of Law, the Respondent repudiated the DAB Claim. The Relevant Policy Clause states 'The Corporation shall not be liable to pay additional Sum Assured if the death of the Life Assured shall result from the Life Assured committing any Breach of Law'. In other words, DAB is excluded if death results from a breach of law and not death resulting from an accident which in turn may be associated with a breach of law. The analysis is also as contained in Legal Aspects of Life Assurance, a Course Book of Insurance Institute of India. As such, the Respondent was directed to pay the full DAB Claim.

Ahmedabad Ombudsman Centre
Case No. : 21-001-0338
Sri. R H Gondalia
Vs
Life Insurance Corporation of India

Award Dated : 9-10-2006

Repudiation of Claim under Life Insurance Policy: While filling up the forms for Reviving a lapsed Life Insurance policy on the life of the deceased, the Assured had not mentioned the fact of taking treatment for Pulmonary Koch's Disease a month before reviving the Policy. The above facts were confirmed by the treating Doctor, in his Medical Attendant's Certificate. The Assured died within a month of Revival due to the same disease. Non disclosure of this material fact denied the Insurer an opportunity to call for further Medical Reports in order to decide whether to accept the revival of the lapsed Insurance Policy. Thus the Revival was declared void and the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. : 21-001-0145
Smt. V U Chauhan
Vs
Life Insurance Corporation of India

Award Dated : 10-10-2006

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact of having taken treatment for Hypertension just a month prior to filling up the Proposal for Insurance. The assured died within a year of taking the Insurance Policy. Claim on death of the deceased Life Assured was repudiated by the Respondent on the basis of Certificate of Treatment by the Treating Doctors. Non disclosure of the fact of Hypertension denied the opportunity to call for further Special Medical Report etc. The case could have been sent over to the Higher Offices of the Insurer for decision. As such, the facts being material for underwriting, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. : 21-003-0101
Smt. A T Sharma
Vs
TATA AIG Life Insurance Co. Ltd.

Award Dated : 19-10-2006

Repudiation of Claim for Payor's Benefit under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact of having taken treatment for High Blood Pressure and raised Cholesterol. The assured died within a year of taking the Insurance Policy. Claim for Payor's Benefit on death of the deceased Life Assured was repudiated by the Respondent on the basis of Statements given by the Assured's Wife and Brother both of whom were close relatives. Non-disclosure of the fact of High Blood Pressure denied the opportunity to call for further Special Medical Report etc. As such, the facts being material for underwriting, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0161

Mr. A J Patel

Vs

Life Insurance Corporation of India

Award Dated : 26-10-2006

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact of having taken treatment for Chest Pain and Dysnea on exertion on an off since 2 years, increased since 2 months, history of Diabetes since 2 years and history of Hypertension since 6 months. These histories go beyond the date of the Proposal. The assured died shortly after 2 years of taking the Insurance Policy. Besides on one occasion, the Deceased was admitted to a Hospital shortly after he filled in the Proposal for Insurance but before the date of acceptance of the Risk. Claim on death of the deceased Life Assured was repudiated by the Respondent on the basis of Certificate of Hospital Treatment by reputed Cardiac Hospitals. Non disclosure of the fact of Hypertension/Diabetes/Chest pain denied the opportunity to call for further Special Medical Report etc. The case could have been sent over to the Higher Offices of the Insurer for decision. As such, the facts being material for underwriting, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0189

Ms. R J Pandya

Vs

Life Insurance Corporation of India

Award Dated : 30-10-2006

Repudiation of Claim for Accident Benefit under Life Insurance Policy: As per the contention of the Complainant, the Assured fell down from a Scooter. Due to the injuries, he died. The Respondent stated that the Cause of death as given in Post Mortem Report is 'Cardio Respiratory Failure due to pathology present in Heart. There is no mention of any major injury. Documents on record do not prove the Death as Accidental. The Newspaper report covering the event ascribed it to have been Heat induced giddiness leading to the DLA falling down in an unconscious state. The Report does not even mention of the Accident. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0166

Mr. R S Zala

Vs

Life Insurance Corporation of India

Award Dated : 22-11-2006

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact of having taken treatment for 'Major Depression Disorder and Agoraphobia' from a month prior to the date of Proposal. The treatment continued till his death. The assured died within a month of taking the Insurance Policy. Claim on death of the deceased Life Assured was repudiated by the Respondent on the basis of ESIC Certificate and Certificate by Employer confirming his absence supported by Medical Certificate by ESIC. Non disclosure of this denied the opportunity to call for further Special Reports etc. The case could have been sent over to the Higher Offices of the Insurer for decision. As such, the facts being material for underwriting, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. : 21-007-0123

Sri V B Ghamande

Vs

Max New York Life Insurance Co. Ltd.

Award Dated : 22-11-2006

Repudiation of Claim under Life Insurance Policy: The Insurance Policy was lying in a lapsed state on the death of the Life Assured. The Complainant argued that the Respondent did not guide him properly with regard to required deposit to be made and other compliances for Renewal of his Policy. The responsibility to know the premium instalments and to pay them in time rests on the Life Assured. Since, the same was not done, to claim the proceeds on a lapsed Policy, just alleging lack of adequate guidance by the Insurer, cannot succeed. As such, the decision of the Respondent to repudiate the subject Claim was upheld without any further relief.

Ahmedabad Ombudsman Centre

Case No. : 21-002-0180

Smt. A B Ruchanani

Vs

Life Insurance Corporation of India

Award Dated : 27-11-2006

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact of taking treatment for 'HCV related Cirrhosis of Liver' from nearly 4 months prior to the date of Proposal. The treatment continued till his death. The assured died within 7 months of taking the Insurance Policy. Claim on death of the deceased Life Assured was repudiated by the Respondent on the basis of Certificate of Hospital Treatment from the Treating Doctor. Non disclosure of this fact denied the opportunity to call for further Special Reports etc. The case could have been sent over to the Higher Offices of the Insurer for decision. As such, the facts being material for underwriting, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0168

Mrs. B A Parmar

Vs

Life Insurance Corporation of India

Award Dated : 27-11-2006

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact of taking treatment for 'Chest pain (MI)' and had undergone Coronary Angiography only a year prior to the date of Proposal. The assured died due to 'Left Ventricular Dysfunction in a c/o Ischaemic Cardomyopathy, which proves the nexus between the undisclosed ailment and the cause of death. Claim on death of the deceased Life Assured was repudiated by the Respondent on the basis of Certificate of Hospital Treatment. Non disclosure of this fact denied the opportunity to call for further Special Reports etc. The case could have been sent over to the Higher Offices of the Insurer for decision. As such, the facts being material for underwriting, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0198

Smt. S S Shah

Vs

Life Insurance Corporation of India

Award Dated : 7-12-2006

Repudiation of Claim for Accident Benefit under Life Insurance Policy: The Assured fell down from the terrace of his house and died. Claim for Accident Benefit was repudiated on the grounds that the Police Papers reflected the fact that the deceased was suffering from Parkinson's Disease which allegedly caused the death. As such, death was not an Accidental death. An observance of the Police FIR revealed that even though the Police Inspector wrote about the fact of the disease, he had not written that the disease contributed to the Accidental fall. The Post Mortem Report also confirmed that the Death to be due to shock as a result of injuries sustained. In the absence of any other acceptable indisputable evidence, the Respondent was directed to pay the full Claim.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0211

Smt. Rinku K Raj

Vs

Life Insurance Corporation of India

Award Dated : 11-12-2006

Repudiation of Claim under Life Insurance Policy: While filling up the forms for Reviving a lapsed Life Insurance policy on the life of the deceased, the Assured had not mentioned the fact of his suffering from TB for two years before reviving the Policy. The above facts were confirmed by the treating Doctor, in the Certificate of Hospital Treatment, which also noted symptoms of Chest Pain, Cough, Fever and weight loss. The Insured was then put on anti-TB Drugs and severe Anaemia was treated with Blood Transfusion. CNS led to attacks of convulsions with as per the treating Doctor 'could have been fatal'. The Assured died within four days of Revival due to the same disease. Non disclosure of this material fact denied the Insurer an opportunity to call for further Medical Reports in order to decide whether to accept the revival of the lapsed Insurance Policy. Thus the Revival was declared void and the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0216

Sri. R N Shah
Vs
Life Insurance Corporation of India

Award Dated : 18-12-2006

Repudiation of Claim under Life Insurance Policy: While repudiating the Claim, the Insurer alleged that the DLA had given False Answers while taking the Policy for Insurance. During the course of Hearing, the Insurer admitted that there was no Document to prove that the DLA ever contacted any Medical Practitioner prior to the date of Proposal. The Inhouse Investigator too did not prove any suppression. In the absence of any specific evidence of treatment prior to the date of Proposal, the Respondent was directed to pay the full Claim.

Ahmedabad Ombudsman Centre
Case No. : 21-004-0186
Mr. N K Vishrani
Vs
ICICI Prudential Life Insurance Co. Ltd.

Award Dated : 18-12-2006

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact of having undergone tests like Haematology Report, Urine Examination Report, Chest X-Ray Report, Echo (Color Doppler) Report and Spine X-Ray Report only 7 days prior to the date of Proposal under the advice of a Cardiologist. The nature of these Tests clearly show that they have not been done as a matter of routine. The assured died within 5 months of taking the Insurance Policy. Claim on death of the deceased Life Assured was repudiated by the Respondent. The non-disclosure had a direct impact on the Underwriting decision. As such, the facts being material for underwriting, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. : 21-001-0201
Mr. K H Patel
Vs
Life Insurance Corporation of India

Award Dated : 28-12-2006

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Insured had not informed that fact of her having undergone an Abdominal Hysterectomy, three years back. Claim on death of the deceased Life Assured was repudiated by the Respondent on the basis of the Certificate of Hospital Treatment. Non disclosure of this fact denied the opportunity to call for further Special Reports etc. Misstatement in this regard sniped Utmost Good Faith which forms the cornerstone of Insurance Contract. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. : 21-001-0178
Mr. Suresh Bansal
Vs
Life Insurance Corporation of India

Award Dated : 17-1-2007

The Complainant's husband held a Jeevan Suraksha Policy with endowment option. On his death, payment of annuity was done as per Option F-Life Annuity with Return of Capital Sum. The Policy Document stated that "Annuity Rates for the various options will be quoted on application". It was observed that from the Monthly Pensions have been calculated correctly as per the Insurer's internal instructions by which the prevailing immediate annuity as at the date of death have to be applied, based on the age of spouse. Hence, no relief was warranted for the Complainant.

Ahmedabad Ombudsman Centre
Case No. : 21-001-0233
Sri C R Patel
Vs
Life Insurance Corporation of India

Award Dated : 22-1-2007

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Assured had not disclosed the fact of having undergone treatment for Sinusitis for the last one year, as evidenced from the Certificate of the Treating Doctor. The assured died within 22 days of taking the Insurance Policy. Claim on death of the deceased Life Assured was repudiated by the Respondent. Since, the non-disclosure sniped Utmost Good Faith, which formed the cornerstone of Insurance Contract, the decision to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. : 21-001-0260
Mr. K S Makadiya
Vs
Life Insurance Corporation of India

Award Dated : 23-1-2007

Repudiation of Claim under Life Insurance Policy: While proposing for Insurance, the Insured had not informed that fact of his having had a history of pain in Chest and Dyspnoea as also Cough and blood in Sputum and Asthma for which he had been undergoing treatment. Claim on death of the deceased Life Assured was repudiated by the Respondent on the basis of the Certificate of Treatment. Non disclosure of this fact denied the opportunity to call for further Special Reports etc. Misstatement in this regard sniped Utmost Good Faith which forms the cornerstone of Insurance Contract. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. : 21-001-0276
Mr. N M Parmar
Vs
Life Insurance Corporation of India

Award Dated : 13-2-2007

Repudiation of Claim under Life Insurance Policy: As per records the Deceased ignited herself by pouring Kerosene. The Uncle-in-law of the DLA took her to a burnt state for treatment but when the body arrived, she was declared dead. The Post-Mortem and FSL Report both confirmed that the death took place due to burn injuries which took place in the residence of the DLA. The risk cover under the Policy commenced on 20-6-2003. Death took place on 26-10-2005. As such, the decision of the Insurer to

repudiate the liability under the Policy and to refund the premiums paid without interest as per conditions of the Policy Clause 4B was upheld.

Ahmedabad Ombudsman Centre
Case No. : 21-001-0250
Mr. J M Parmar
Vs
Life Insurance Corporation of India

Award Dated : 14-2-2007

Repudiation of Claim under Life Insurance Policy by invoking Suicide Clause: It was observed that the Deceased died due to falling into a well on 16-7-2005 due to unknown reasons. Post Mortem Report opined cause of death as "Asphyxia due to drowning". The Date of Commencement of risk under the Policy was 28-5-2005. Claim was repudiated since the Suicide occurred within one year from the commencement of risk. The Respondent could not prove any document which stated the cause of Death as Suicide. Since there was no direct or concrete hard evidence to prove the cause of Death, repudiation was set aside and the Respondent was directed to settle the Claim.

Ahmedabad Ombudsman Centre
Case No. : 21-002-0264
Mrs. M P Jain
Vs
SBI Life Insurance Co. Ltd.

Award Dated : 15-2-2007

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned the fact that he was hospitalised for Ischaemic Heart Disease, High Blood Pressure and Diabetes three years prior to filling up the Good Health Declaration in order to take the Insurance. The Assured died due to a sudden Heart Attack, which had a direct nexus with the mis-statement within 25 days of taking the Insurance Policy. The non-disclosure being established to have been material, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. : 21-012-0270
Smt. P R Batunge
Vs
MetLife Insurance Co. Ltd.

Award Dated : 28-2-2007

Repudiation of Death Claim: The Death Claim was repudiated on the ground of misstatement of Educational Qualifications and Employment of the Deceased. While filling the Proposal Form, the Life Assured had mentioned that he had passed B.Com. and that he was working with Khodiyar Music with nature of duties as 'Administration & Music'. During the course of submissions and in the Hearing too, the widow of the Deceased confirmed that the deceased had studied upto 9th Standard only. Again it was found that the deceased was not in full time employment. He was only a freelancer rather than a whole time employee and would play Band and be paid on per programme basis. The contradictions being proved, the alleged misstatement got established it

sniped at Utmost Good Faith that forms the cornerstone of insurance contract. As such, repudiation was upheld with no relief to the Complainant.

Ahmedabad Ombudsman Centre

Case No. : 21-002-0228

Mr. M B Sureka

Vs

SBI Life Insurance Co. Ltd.

Award Dated: 12-3-2007

Repudiation of Claim under Life Insurance Policy: Claim was repudiated since the Insured had died within 45 days from the date of Commencement of Risk. The Complainant submitted that the Forms etc. were submitted approximately two months before the date of Commencement of Risk. However, the Certificate of Insurance issued to the Insured clarifies that the date of commencement of risk is the day on which the Premium is debited. It was observed that the Assured died 40 days after the risk commencement date. As such, the decision to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. : 21-001-0303

Sri. R G Chamar

Vs

Life Insurance Corporation of India

Award Dated : 12-3-2007

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had by giving a Self Declaration of Age stated that his age at entry is 39 years. The Assured died within 13 months from the date of proposal. On enquiry, it was found that the DLA's Son was aged 28 years as per the age recorded in the School Certificate. Again the DLA's wife's age as recorded in the Identity Card of Election Commissioner of India comes to 56 years. The mis-statement of age being established to have been material, the decision of the Respondent to repudiate the Claim was upheld.

Bhopal Ombudsman Centre

Case No.: LI-1025-21/09-07/IND

Smt. Basanti Bai Gupta

Vs

Life Insurance Corporation of India

Award Dated : 17.11.2006

Smt. Basanti Bai Gupta, resident of Indore (M.P.) (hereinafter called Complainant) is the wife of late Shri Jagdish Chandra Gupta, Deceased Life Assured (in short DLA). The DLA took a life insurance policy numbered 344289934 from LIC of India, DO: Indore, BO-5, Indore (hereinafter called Respondent) on 28.12.2004 for Sum Assured of 1,00,000/- under Table/Term: 149-20. The DLA died on 12-09-2005 due to heart attack. The complainant has complained that she had preferred death claim with the Respondent but the same was repudiated on the grounds of understatement of age by DLA at the time of taking the policy in question. The claimant preferred a complaint to this Office.

Observations of Ombudsman: I have gone through the materials on records and submissions made during hearing and summarize my observations as follows:

There is no dispute that the Policy No. 344289934 was issued to the DLA by the Respondent on 28.12.2004 and the DLA died on 12.09.2005.

During hearing, the Complainant stated that the DLA was in good health at the time of taking the policy and was having a kirana Shop. Further She has added that the DLA was in Government Service as Postman at Indore and after retirement he was doing business of kirana shop at his home. The Insurance was done on the basis of Voter Identity Card by the Agent who has filled up the proposal form. The Complainant has further informed that the same agent has done another three insurance policies on her own life and her another family members and submitted the copies of policies bearing no. 34428997989, 344289987 and 344289961 commencing on 28-12-2004. The Complainant stated that she is not aware about the information which has been fulfilled by the agent in the proposal forms.

The Respondent stated during hearing that at the time of proposal Voter Identity Card was submitted as age proof where in Date of Birth was shown as 01.01.1950 and age as 55 Yrs but the policy holder was a postman and he has joined service on 26.01.1969 and retired on 31.07.2003 his Date of Birth was 01.08.1943 and not 01.01.1950. In case of proper disclosure of age proposal would not have been completed.

It is observed from the letter dated 10.02.2006 issued by the Department of Post shows his Date of Birth as 01.08.1943. It is also seen that the DLA has signed the proposal form in English in which Date of Birth was mentioned as 01.01.1950 where as he was a retired person from Govt. service. Thus it is clear that the DLA has deliberately understated his age to defraud the Respondent in order to accept the proposal and thereby misled the Respondent in taking proper underwriting decision.

Further it is further observed that the Respondent has to call for the school certificate for the verification of age at the time of underwriting when the qualification was mentioned on the proposal form up to 8th class , otherwise this situation would not have been arise.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the present case there is concrete evidence, viz., letter issued by the Department of Post to show that the DLA was aged more than what was stated by him at the time of taking policy. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the above, the decision taken by the Respondent in repudiating the death claim under Policy No. 344289934 is just and fair hence does not require any interference. Therefore, the complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No. : LI-1067-21/10-07/BPL
Smt. Rizwana Sharif
Vs. Life Insurance Corporation of India

Award Dated : 17.11.2006

Smt. Rizwana Sharif, resident of Mandideep Distt.: Bhopal (M.P.) [hereinafter called Complainant] is the wife of late Shri Ahamad Sharif, Deceased Life Assured [in short DLA]. DLA took a life insurance policy numbered 351488035 from LIC of India, DO: Bhopal, BO No 4, Bhopal [hereinafter called Respondent]. The Policy commenced on 28.08.1999. Then, the policy lapsed due to non-payment of 4 quarterly premiums which was revived by DLA on 15-12-2001 by paying the arrears of 4 quarterly premiums. The

DLA died on 26.01.2003 due to DM Chronic Renal Failure Then, the death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA at the time of revival. Then the complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 06.06.2006. The claimant preferred a complaint to this Office.

Observations of Ombudsman: I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policy No. 351488035 was issued to DLA by the Respondent on 28-08-1999; the same was revived on 15-12-2001 and death of DLA occurred on 26-01-2003.

During hearing, the complainant informed that the DLA was not suffering from any diseases and was in good health at the time of revival of the policy in question.

During hearing, the Respondent contended that The Case History Sheet of Bhopal Memorial Hospital also reveals the History of Hypertension since 1995, Diabetes Mellitus since 1995, CAD since 1999 etc. Dr. Quasim Ali Anjum has in claim form ' B ' certified the primary cause of death as " Cardio-respiratory failures " and secondary cause of death is as "Diabetes c Chronic Renal Failure" However the history of aforesaid diseases/ailments were not mentioned by the DLA in the DGH dated 04.12.2001 submitted for revival of the policy. The DLA was diagnosed for aforesaid diseases/ailments and hence the claim was repudiated due to concealment of material facts regarding health of DLA. Had the DLA's ill health and treatment details been brought to the knowledge of the Respondent during revival in DGH submitted by the DLA, the underwriting decision of the Respondent would have been different.

On scrutiny, it is observed from The Claim form B, DGH, ECG Report of Niramay Hospital and Ayushman Hospital dated 06.01.2001 and 06.12.2000 respectively, History Sheet of Bhopal Memorial Hospital, Angiography Report dated 14.02.2001 of Hinjuja Hospital, letter dated 10.08.2005 of Dr.Rajeev Madan. that it was a known case of hypertension since 1995, Diabetes Mellitus since 1995 and coronary artery disease since June 1999.

It is further observed from Claim form B issued by Dr. Quasim Ali Anjum 133, M.P.Nagar- Zone-II, BHOPAL has in claim form ' B ' certified the primary cause of death as " Cardio-respiratory failures " and secondary cause of death is as "Diabetes c Chronic Renal Failure" whereas in the Declaration of Good Health (DGH) report signed by DLA on 15-12-2001 during revival shows that the he had never suffered from any ailment whatsoever in the past and that he was absolutely keeping normal health.

Thus, from the foregoing facts it is clear that there is a direct nexus between the cause of death and the ailments suffered by DLA. Hence, it is clear that the DLA intentionally suppressed the material facts regarding health to the Respondent at the time of reviving the policy in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the instant case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed the same in the DGH report at the time of revival. Thus, the DLA has misled the Respondent by not providing vital information regarding his health at the time of revival and hence the Respondent was not able to take proper underwriting decision. Had the facts been brought to the knowledge of the Respondent, its underwriting decision would have been different.

In view of the above, the decision taken by the Respondent is just and fair hence does not require any interference.

Bhopal Ombudsman Centre
Case No.: LI-1050-21/09-07/BPL
Smt. Gangotri Bai Dadore
Vs
Life Insurance Corporation of India

Award Dated : 21.11.2006

Smt. Gangotri Bai Dadore, resident of Amla Distt.: Betul (M.P.) [hereinafter called Complainant] is the wife of late Shri Deep Chand Dadore, Deceased Life Assured [in short DLA]. DLA took a life insurance policy numbered 372079113 from LIC of India, DO: Bhopal, BO Betul [hereinafter called Respondent]. The Policy commenced on 15.01.1999 lapsed due to non-payment of premiums. The policy was revived by DLA on 29.04.2003 by paying the arrears of premiums. The DLA died on 27.02.2005 due to stomach pain. The death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA at the time of revival. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 06.06.2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

Observations of Ombudsman: I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policy No. 372079113 was issued to DLA by the Respondent on 15.01.1999; the same was revived on 29.04.2003 and death of DLA occurred on 27.02.2005.

During hearing, the complainant informed that the DLA was not suffering from any disease and was in good health at the time of revival of the policy in question.

During hearing, the Respondent contended that there is sufficient evidences confirming that the DLA was diagnosed for cirrhosis of liver and was a known case of hepatitis 'B' for last 4 years and was taking lamirudin tablet for the same. However, the history of aforesaid diseases/ailments was not been mentioned by the DLA in the DGH dated 29.03.2003 submitted for revival of the policy. The DLA was diagnosed for aforesaid diseases/ailments and hence the claim was repudiated due to concealment of material facts regarding health of DLA. Had the DLA's ill health and treatment details been brought to the knowledge of the Respondent during revival in DGH submitted by the DLA, the underwriting decision of the Respondent would have been different.

On scrutiny, it is observed from Claim form 'B', Dr. Sudhir Gupta, MD,DM, Govt. Medical College, Nagpur has under question no-5(a) in claim Form B , stated that patient was chronic alcoholic and alcoholism was the cause for cirrhosis. To question no- 4(a), he stated that the primary cause of death as CRA and secondary cause as IDDM c HbAg related cirrhosis of liver c Ascitis PHT c Hepatorenal Syndrome.

It is further observed from Claim form B issued by Dr. Sudhir Gupta has in claim form ' B ' certified the primary cause of death as " Cardio-respiratory failures " and secondary cause of death is as "Diabetes c Chronic Renal Failure" whereas in the Declaration of Good Health (DGH) report signed by DLA on 15-12-2001 during revival shows that the

he had never suffered from any ailment whatsoever in the past and that he was absolutely keeping normal health, hence the contention of Complainant is not tenable.

Thus, from the foregoing facts it is clear that there is a direct nexus between the cause of death and the ailments suffered by DLA. Hence, it is clear that the DLA intentionally suppressed the material facts regarding health to the Respondent at the time of reviving the policy in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the instant case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed the same in the DGH report at the time of revival. Thus, the DLA has misled the Respondent by not providing vital information regarding his health at the time of revival and hence the Respondent was not able to take proper underwriting decision. Had the facts been brought to the knowledge of the Respondent, its underwriting decision would have been different.

In view of the circumstances stated above, I am of the considered opinion that the decision taken by the Respondent is just and fair hence does not require any interference.

Bhopal Ombudsman Centre
Case No.: LI-1026-21/09-07/RPR
Smt. Sharda Devi Gupta

Vs

Life Insurance Corporation of India

Award Dated : 26.12.2006

Smt. Sharda Devi Gupta, resident of Jamnapali Distt, Korba [hereinafter called Complainant] is the wife of Late Shri Gouri Shankar Gupta, Deceased Life Assured (in short DLA). The DLA had a life insurance policy number 382837709 taken from LIC of India, DO: Raipur, BO-1, Korba [hereinafter called Respondent]. The Policy commenced on 28.03.2003 under Table/Term: 151-05 (3) for Sum Assured of Rs. 5, 00,000/- The DLA expired on 13.12.2003 due to Diabetes Mellitus IAD-A with MIA with Heart Failure. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of taking policy. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policy.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summarize my observations as follows:

There is no dispute that the policy number 382837709 was issued to DLA by the Respondent on 28.03.2003 and death of DLA occurred on 13.12.2003.

During hearing the complainant stated that the DLA was an employee of NTPC Korba taken voluntary retirement from service before more than 2 ½ years and further added that the leaves were taken on medical ground as DLA was transferred to Rewa where he did not want to join there and was trying to cancel his transfer.

During hearing, the Respondent contended that there are sufficient evidences confirming that the DLA was a known case of DM with HTN prior to taking the policy. However, the history of aforesaid diseases/ailments was not been mentioned by the DLA in the proposal form dated 17.02.2003 submitted for above policy. The DLA was diagnosed for aforesaid diseases/ailments and hence the claim was repudiated due to

concealment of material facts regarding health of DLA. Had the DLA's ill health and treatment details been brought to the knowledge of the Respondent in the proposal form submitted by the DLA, the underwriting decision of the Respondent would have been different.

It is observed from the Medical certificate dated 10.06.2002 and 10.08.2002 issued by the Medical Officer of NTPC Hospital Korba (M.P.) that the DLA was suffering from DM c Nephrotities & DM c HT c IHD with CRF and the same is also confirmed from the OPD Ticket issued by the NTPC Hospital Korba. Hence the contention of the Complainant that the leaves are taken on medical ground for other purpose is not tenable.

It is also observed from Claim forms B & B1 issued by the NTPC Hospital Korba who attended the DLA during his last illness that the primary cause of death is Diabetes Mellitus c IHD with the history of disease of 15 years. This clearly shows that DLA was already suffering from Diabetes Mellitus and Hypertension but intentionally suppressed in the Proposal forms under Policy in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the present case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed in the Proposal form. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the above, the decision taken by the Respondent is just and fair hence does not require any interference. The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-974-21/08-07/RPR
Shri Dilip Kumar Shrivastav
Vs

Life Insurance Corporation of India

Award Dated : 26.12.2006

Shri Dilip Kumar Shrivastav, resident of Keshkal Distt.: Bastar (M.P.) [hereinafter called Complainant] is the husband of late Smt. Shakuntala Shrivastav, Deceased Life Assured [in short DLA]. The DLA took a life insurance policy numbered 382886548 under Table/Term 14-5 for sum assured of Rs 1,00,000/- from LIC of India, DO: Raipur, BO Jagdalpur [hereinafter called Respondent]. The Policy commenced on 28.12.2002. The DLA died on 28.11.2003 due to Rheumatic Heart Disease. The death claim was preferred by Complainant with the Respondent which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA at the time of taking the policy. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 06.06.2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to the Respondent to settle the claim amount.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are as follows:

There is no dispute that the Policy No. 382886548 was issued to DLA by the Respondent on 28.12.2002 and death of DLA occurred on 28.11.2003.

During hearing, the complainant informed that the DLA was not suffering from any disease and was in good health at the time of taking the policy in question. The

Complainant further informed that the DLA was admitted for second delivery in the Christian Hospital, Dhamtari in the year 1991 and she was in good health after discharge from the hospital till 4th January 2003.

During hearing, the Respondent replied that there is sufficient evidence confirming that the DLA was suffering from Rheumatic Heart Disease with other ailments since 1991 which was not disclosed at the time of taking the policy no. 383886548 on 25.12.2002. This information was very much material to the Respondent for deciding the case. Considering the above facts the Respondent repudiate the claim with the reason "suppression of material facts".

On scrutiny, it is observed from the certificate issued by the Dr. S.K.Chatterjee Medical superintendent of Dhamtary Christian Hospital, Dhamtari (C.G.) dated 16.05.2005 that the DLA was taking treatment from DCH DMT for sever MR Mild to Moderate MS, Chronic Rheumatic Heart Disease sickle cell D/s irregularly since 1991.

It is also seen from the copy of ECHO CARDIOGRAM Report dated 02.05.2003 from the Cardiologist, Dhamtari Christian Hospital, Dhamtari that the clinical diagnosis is RHD with MS + MR.

Thus, from the foregoing facts it is clear that the DLA has intentionally suppressed the material facts regarding her health to the Respondent at the time of taking the policy in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the instant case, there is a sufficient evidential proof to show that the DLA was already suffering from serious ailments but suppressed the same in the proposal form at the time of taking the policy. Thus, the DLA has misled the Respondent by not providing vital information regarding her health at the time of proposal and hence the Respondent was not able to take proper underwriting decision. Had the facts been brought to the knowledge of the Respondent, its underwriting decision would have been different.

In view of the circumstances stated above, I am of the considered opinion that the decision taken by the Respondent is just and fair hence does not require any interference.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1066-21/10-07/IND
Smt.Ratan Bai Baronia
Vs

Life Insurance Corporation of India, DO: Indore

Award Dated : 28.12.2006

Smt. Ratan Bai Baronia, resident of Indore [hereinafter called Complainant] is the wife of Late Shri Gopal Baronia, Deceased Life Assured (in short DLA). The DLA had a life insurance policy number 340361465 taken from LIC of India, DO: Indore, BO-1, Indore [hereinafter called Respondent]. The Policy commenced on 11.02.2003 under Table/Term: 154-12 for Sum Assured of 50,000/- The DLA expired on 18.09.2005 due to heart attack. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of taking policy. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policy.

The complaint was registered and necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained note received by this office on 18.10.2006 replied that DLA having history as known case of Coronary Artery Disease – Old Antero lateral MI and had history of appendectomy in 1977 at the time of proposing for insurance under the policy. However, DLA had not disclosed his illness in the proposal forms submitted for insurance and has stated his state of health was “GOOD”. Had the history of Coronary Artery Disease – Old Antero lateral MI been disclosed at the time of proposing for insurance, decision for acceptance of the case would have been affected. Hence, the claim under the policy was repudiated due to non-disclosure of material facts.

The policy in question was proposed on 08.02.2003 is after all these incidents wherever he did not mentioned any thing about his all these past illness. Considering all these facts LIC repudiated the claim for the reason “Suppression of material facts” on 07.04.2006. Further the case was referred to the Claim Review Committee at LIC Zonal Office Bhopal. The ZO CRC in its meeting held on 26.07.2006 upheld the DO decision of repudiation on 01-09-2006.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the policy number 340361465 was issued to DLA by the Respondent on 11.02.2003 and death of DLA occurred on 18-09.2005 due to heart attack.

During hearing, the complainant informed that the DLA was not suffering from any disease and was in good health at the time of taking the policy in question. The Complainant further stated that the DLA was an employee as Watchman of Food Corporation of India, Indore and taken voluntary retirement before retirement date from service as his office was situated on third floor due to stone in kidney.

The Complainant also added that the DLA was having total four policies bearing nos. 341193139, 341196468, 341195974 and 342361465 and out of these four policies she has received the death claim amount about Rs. 1.40 lacs under three policies except this policy no 340361465.

The Respondent contented during hearing that the DLA was having a history, as known case of Coronary Artery Disease – Old Antero lateral MI and had history of appendectomy in 1977 at the time of proposing for insurance under the policy. However, DLA had not disclosed his illness in the proposal forms submitted for insurance and has stated his state of health was “GOOD”. Had the history of Coronary Artery Disease – Old Antero lateral MI been disclosed at the time of proposing for insurance, decision for acceptance of the case would have been affected. Hence, the claim under the policy was repudiated due to non-disclosure of material facts.

It is observed from records that DLA was an employee of FCI and was posted as Chokidar. It is also observed from the records of CHL-Apollo Hospital Indore dated 16-06-2005 shows that the DLA was a known case of Caronary Artery Disease – Old Antero lateral MI.

It is also clear from the history sheet of Charak Hospital of Indore dated 18.07.2003 that DLA was already suffering from Coronary Artery Disease – Old Antero lateral MI since one year which appears the date prior to the date of proposal for insurance but intentionally suppressed in the Proposal forms under Policy in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by

suppressing any fact. In the present case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed in the Proposal form. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the above, the decision taken by the Respondent is just and fair hence does not require any interference. The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1088-21/10-07/IND
Shri Chindhu Namdeo Mahajan
Vs
Life Insurance Corporation of India

Award Dated : 29.12.2006

Shri Chindhu Namdeo Mahajan, resident of Deopur Distt.: Dhuliya (M.S.) [hereinafter called Complainant] is the father of late Smt. Shobha Mahajan, Deceased Life Assured [in short DLA]. The DLA took a life insurance policy numbered 344255882 from LIC of India, DO: Indore, BO Burhanpur [hereinafter called Respondent]. The Policy commenced on 08.03.2005. The DLA died on 25.09.2005 due to high fever. The death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA at the time taking the policy. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 04.10.2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The complaint was registered & necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained note received by this office on 15.11.2006 replied that the Policy had run for 6 months & 17 days from the date of commencement of policy. The DLA was sick having complaint of severe anemia c fever c severe weight loss etc. before the date of proposal. The Section 45 also is in L.I.C's favour. The Respondent further added that it is very clear from the leave records and certificates of Sickness as well as the Hospital record of being HIV +ve.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policy No. 344255882 was issued to DLA by the Respondent on 08.03.2005 and death of DLA occurred on 25.09.2005.

During hearing, the complainant informed that the DLA was not suffering from any disease and was in good health at the time of taking the policy in question.

On scrutiny, it is observed from Claim form 'B', Dr. Sudhir Gupta, MD,DM, Govt. Medical College, Nagpur has under question no-5(a) in claim Form B, stated that patient was chronic alcoholic and alcoholism was the cause for cirrhosis. To question no- 4(a), he stated that the primary cause of death as CRA and secondary cause as IDDM c HbAg related cirrhosis of liver c Ascitis PHT c Hepatorenal Syndrome.

It is further observed from Claim form B issued by Dr. Sudhir Gupta has in claim form 'B' certified the primary cause of death as " Cardio-respiratory failures " and secondary cause of death is as "Diabetes c Chronic Renal Failure" whereas in the Declaration of Good Health (DGH) report signed by DLA on 15-12-2001 during revival shows that the

he had never suffered from any ailment whatsoever in the past and that he was absolutely keeping normal health, hence the contention of Complainant is not tenable.

Thus, from the foregoing facts it is clear that there is a direct nexus between the cause of death and the ailments suffered by DLA. Hence, it is clear that the DLA intentionally suppressed the material facts regarding health to the Respondent at the time of reviving the policy in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the instant case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed the same in the proposal form at the time of taking the policy. Thus, the DLA has misled the Respondent by not providing vital information regarding his health at the time of proposal and hence the Respondent was not able to take proper underwriting decision. Had the facts been brought to the knowledge of the Respondent, its underwriting decision would have been different.

In view of the circumstances stated above, I am of the considered opinion that the decision taken by the Respondent is just and fair hence does not require any interference.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1129-21/11-07/IND
Smt.Prabha Devi Chhajed
Vs
Life Insurance Corporation of India

Award Dated : 18.01.2007

Smt.Prabha Devi Chhajed, resident of Neemuch [hereinafter called Complainant] is the wife of Late Shri Tejpal Chhajed, Deceased Life Assured (in short DLA). The DLA had a life insurance policy number 344485756 taken from LIC of India, DO: Indore, BO-Neemuch [hereinafter called Respondent]. The Policy commenced on 02.02.2005 under Table/Term: 149-15 for Sum Assured of 1,00,000/- The DLA expired on 03.06.2005 due to tumor in Alimentary canal. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of taking policy. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policy.

The Respondent vide its self-contained note received by this office on 26th December,2006 replied that DLA was suffering from Tumor in Alimentary Canal at the time of proposing for insurance under the policy. However, DLA had not disclosed his illness in the proposal forms submitted for insurance and has stated his state of health was "GOOD". Had the history of Tumor in Alimentary Canal been disclosed at the time of proposing for insurance, decision for acceptance of the case would have been affected. Hence, the claim under the policy was repudiated due to non-disclosure of material facts.

The proposal of the policy in question was completed on 03.03.2005 and DLA was suffering from tumor in Alimentary Canal from 01.03.2005 to 03.06.2005 as per form no 3802 submitted by the Dr.Nand Kishore Mangal Neemuch who treated the deceased assured during his life time. The DLA did not mention any thing about his past illness. Considering all these facts LIC repudiated the claim for the reason "Suppression of

material facts” on 31.03.2006. Further the case was referred to the Claim Review Committee at LIC Zonal Office Bhopal. The ZO CRC in its meeting upheld the DO decision of repudiation on 01-09-2006.

Observations of Ombudsman:

I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the policy number 344485756 was issued to DLA by the Respondent on 02.02.2005 and death of DLA occurred on 03.06.2005 due to tumor in Alimentary canal.

It is observed from the record that the Complainant has submitted the forms P-2 and P-3 duly filled up but without her signature. Further the Complainant was absent on the date of hearing in spite of proper service, which shows that the Complainant is not interested in resolving his grievances. In view of the above, the complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1133-21/12-07/BPL
Smt. Kamini Pahare
Vs
Life Insurance Corporation of India

Award Dated : 19.01.2007

Smt. Kamini Pahare, resident of Gram Nimsadiya Distt.: Hoshangabad (M.P.) [hereinafter called Complainant] is the wife of late Shri Dinesh Chand Pahare, Deceased Life Assured [in short DLA]. The DLA took a life insurance policy numbered 351860961 from LIC of India, DO: Bhopal, BO Hoshangabad [hereinafter called Respondent]. The Policy commenced on 10.03.2002 lapsed due to non-payment of premiums. The policy was revived by DLA on 24.06.2005 by paying the arrears of premiums. The DLA died on 21.07.2005 due to Complicated Malaria c ARDS c ARF. The death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA at the time of revival. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 01.11.2006. Aggrieved by the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The complaint was registered and necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained note dated 12.012.2006 replied that the Policy had run for 3 years 4 month and 11 days from date of commencement (DOC) and only for 27 days from the date of revival. The DOC under the policy is 10.03.2002 and due to non payment of premiums the policy got lapsed since quarterly premium due 12/2004. The same was got revived on 24.06.2005 by paying the arrears of premiums and by submitting the Declaration of Good Health (DGH). In the DGH, the question no 7 viz “Have you suffered from any diseases requiring treatment for more than 7 days?” has been answered as “NO”. However, the employer has confirmed in claim form-E that the DLA had taken leave on medical grounds during the period from 04.10.2003 to 15.03.2003 (71 days), 01.12.2003 to 31.01.2004 (62 days), 16.02.2004 to 30.04.2004 (75 days), 16.07.2004 to 30.07.2004 (15 days) and 01.08.2004 to 30.09.2004 (61 days). The medical certificate dated 16.02.2004 confirmed that the DLA was suffering

from Chronic Hepatitis c Cirrhosis. Since these facts, which are material for underwriting of risk, were not disclosed in the DGH of dated 24.06.2005 submitted for getting the policy revived, revival was set aside. As prior to the revival, the policy has remained in force for only 2 years and 9 months, nothing stands payable under the policy. The duration of policy after revival has been only for 27 days.

The leave record given by the Dy. Director, Satpuda Tiger Research, Pachmadi states that the DLA had been on sick leave during the period from 04.10.2003 to 15.03.2003 (71 days), 01.12.2003 to 31.01.2004 (62 days), 16.02.2004 to 30.04.2004 (75 days), 16.07.2004 to 30.07.2004 (15 days) and 01.08.2004 to 30.09.2004 (61 days). All these period of leave fall prior to the date of revival of policy but he has not mentioned about his suffering from any illness in the DGH dated 24.06.2005 and has stated himself to be in very good health.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summarize my observations as follows:

There is no dispute that the Policy No. 351860961 was issued to DLA by the Respondent on 10.03.2002; the same was revived on 24.06.2005 and death of DLA occurred on 21.07.2005.

During hearing, the complainant informed that the DLA was not suffering from any disease and was in good health at the time of revival of the policy in question.

During hearing, the Respondent contended that there is enough evidence confirming that the DLA was diagnosed as Complicated Malaria c ARDS c ARF and was suffering from suffering from Chronic Hepatitis c Cirrhosis. However, these facts have been suppressed in the DGH dated 24.06.2005 submitted for revival of the policy. As such the revival under the policy was set aside and as prior to the revival, the policy has remained in force for only 2 years and 9 months, nothing stands payable under the policy.

The DLA was diagnosed for aforesaid diseases/ailments and hence the claim was repudiated due to concealment of material facts regarding health of DLA. Had the DLA's ill health and treatment details been brought to the knowledge of the Respondent during revival in DGH submitted by the DLA, the underwriting decision of the Respondent would have been different.

On scrutiny, it is observed from the Medical Attendent Certificate's issued by Dr. V.K.Sharma , MD,WHO FELLOW (USA) , Hamidia Hospital , Bhopal has under question no-4(a) in claim Form B-1 , stated that the primary cause of death is Complicated Malaria c ARDS c ARF and secondary cause as Cardio Respiratory Failure, whereas in the Declaration of Good Health (DGH) report signed by DLA on 24.06.2005 during revival shows that the he had never suffered from any ailment whatsoever in the past and that he was absolutely keeping normal health, hence the contention of Complainant is not tenable.

It is also observed from the leave record given by the Dy. Director, Satpuda Tiger Research, Pachmadi that the DLA had been on sick leave during the period from 04.10.2003 to 15.03.2003 (71 days), 01.12.2003 to 31.01.2004 (62 days), 16.02.2004 to 30.04.2004 (75 days), 16.07.2004 to 30.07.2004 (15 days) and 01.08.2004 to 30.09.2004 (61 days). Hence, it is clear that the DLA intentionally suppressed the material facts regarding health to the Respondent at the time of reviving the policy in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the instant case, there are sufficient evidential proofs to show

that the DLA was already suffering from serious ailments but suppressed the same in the DGH report at the time of revival. Thus, the DLA has misled the Respondent by not providing vital information regarding his health at the time of revival and hence the Respondent was not able to take proper underwriting decision. Had the facts been brought to the knowledge of the Respondent, its underwriting decision would have been different.

In view of the circumstances stated above, I am of the considered opinion that the decision taken by the Respondent is just and fair hence does not require any interference. Hence, the complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1140-24/12-07/IND

Smt. Rukma Devi Dave

Vs

Life Insurance Corporation of India

Award Dated : 23.01.2007

Smt. Rukma Devi Dave, resident of Indore (M.P.) hereinafter called Complainant] is the wife of Late Shri Purshottam Dave, Deceased Life Assured (in short DLA). The DLA had a life insurance policy number 341935832 taken from LIC of India, DO: Indore, CBO-3, Indore [hereinafter called Respondent]. The Policy commenced on 28.01.1996 under Endowment without profit with accident benefit Table/Term: 11-20 for Sum Assured of 35000/- The DLA expired on 16.09.2005 due to accident. The death claim was preferred by the Complainant with the Respondent. The basic sum assured of Rs 35000/- was paid by the Respondent but the Accident Benefit claim was repudiated on the grounds that the DLA has not desired to have Accident Benefit in the proposal form submitted for insurance. The complainant further added that the premium for accident benefit @ Rs1/- per thousand sum assured i.e. Rs 35/- was being accepted since inception of the policy which was refunded by the respondent instead of making accident benefit claim. Aggrieved by the refusal action of Respondent for accident benefit claim, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the accident benefit claim amount under the policy.

The complaint was registered and necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide their letter dated 23.12-2006 stated that the DLA has not opted for the accident benefit in the proposal form at the time of taking the insurance policy. Similarly the DLA has also not opted for the accident benefit at the time of executing the option to alter the policy from without profit to with profit hence the Accident benefit claim was repudiated. The Respondent further informed that the amount of accident benefit premium was wrongly included while calculating the normal premium of the policy due to an oversight which was refunded to the claimant.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policies number 341935832 was issued to DLA by the Respondent and DLA met with accident and died on 16.09.2005.

During hearing the Complainant stated that the DLA was doing the job of TV repairing at Indore and taken a policy commenced on 28.01.1996 under Endowment without profit with accident benefit Table/Term: 11-20 for Sum Assured of 35000/- for which the premium paid was including premium for accident benefit @ Rs1/- per thousand sum assured i.e. Rs 35/- was being accepted since inception of the policy and collected the

same till death claim arises. The Respondent also has not reduced this accident benefit premium at the time of converting the policy from without profit to with profit and change of mode of premium installment from quarterly to yearly on 17.04.1997. The Respondent has accepted the accident benefit premium continuously for 8 years and refused for the accident benefit claim merely on the ground that accident benefit was not desired by the DLA in the proposal form.

During hearing the Respondent stated that the DLA has not opted for the accident benefit in the proposal form at the time of taking the insurance policy. Similarly the DLA has also not asked for the accident benefit at the time of executing the option to alter the policy from without profit to with profit hence the accident benefit claim was repudiated. The Respondent further informed that the amount of accident benefit premium was wrongly included while calculating the normal premium of the policy due to an oversight which was refunded to the Complainant.

It is observed from the records that the premium for accident benefit was being accepted by the Respondent since the inception of the policy. They have not taken any notice regarding adjustment of premiums with the premium of accident benefit during eight years. Further, it appears that the Respondent has neither refunded the premium of accident benefit accepted by them nor intimated to the DLA at any stage during this period.

It is also observed from the copy of policy bond issued where class of assurance was mentioned as "ENDOWMENT ASSURANCE POLICY WITHOUT PROFIT (WITH ACCIDENT BENEFIT)" and the premium for accident benefit was also being charged since beginning of the policy. There after no care was taken to refund the amount of accident benefit or to alter the policy bond or any intimation to the DLA in this behalf.

In view of the above, it is clear that there is lapse on the part of the Respondent. There is no concrete reason found to deny the payment of accident benefit claim by the Respondent even after acceptances of premiums for the period of 8 years.

In view of the above, it stands that the Respondent's decision of repudiation of the accident benefit claim payment under the Policy is not tenable.

Hence, the Respondent is directed to pay the accident benefit claim amount under Policy No. 341935832 after deducting the refunded premium of accident benefit within 15 days of receipt of this order failing which the Respondent shall be liable to pay further interest at the rate of 9% per annum from the date of this Order till the date of actual payment.

Bhopal Ombudsman Centre
Case No.: LI-1126-21/11-07/IND
Shri Chandraji Gurjar
Vs

Life Insurance Corporation of India

Award Dated : 14.02.2007

Shri Chandraji Gurjar, Resident of Village: Panchdevra, Tehsil: Manasa, Distt.: Neemuch (M.P.) (hereinafter called Complainant) is the brother of Late Shri Bhairrolal Gurjar, Deceased Life Assured (in short DLA). The DLA had a life insurance policy numbered 344481789 taken from LIC of India, DO: Indore, BO: Neemuch (hereinafter called Respondent). The Policy commenced on 28.08.2004 under Jeevan Anand Plan Table/Term: 149-21 for Sum Assured of Rs. 1,00,000/-. The DLA expired on 02.08.2005 due to high fever. Thus the Policy had run for 11 months & 5 days. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on

the grounds of suppression of material facts regarding health of DLA and without income at the time of taking policy. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 01.09.2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The complaint was registered & necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained noted dated nil received by us on 26.12.06 replied that DLA was having past history of illness since last one year and was not having any income which he did not disclose in the proposal. Had he disclosed it, underwriting requirements would have been different. Hence, the claim was repudiated due to concealment of material facts regarding health of DLA without any income.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policy No. 344481789 was issued to DLA by the Respondent on 28.08.2004 and death of DLA occurred on 02.08.2005.

During hearing the complainant contended that the DLA has suffered by Jaundice, after notice of jaundice he was admitted in Majeji Nursing Home, Manasa from 09.07.2005 to 11.07.2005 where 2 bottle blood was given. The Complainant has further informed that the DLA never suffered from any disease nor taken treatment or was admitted in any hospital before taking the policy. The DLA was having sufficient income by way of kirana shop and through Agriculture income.

The Respondent contented during hearing that the DLA was sick prior to date of proposal without income which he did not disclose in the proposal. Had he disclosed it, underwriting requirements would have been different. Hence, the claim was repudiated due to concealment of material facts regarding health of DLA without any income.

On scrutiny of records, it is observed that no evidential proofs, viz., Investigation report, Blood test report, X-ray, prescription of doctor treating him, etc. have been submitted by the Respondent to prove that the DLA was sick prior to the date of policy in question.

The Respondent only tried to strengthen its contention on the basis of Dr. Mahesh Majeji's certificate dated 09.11.05 who certified that the DLA was transferred with 2 unit of blood from 09.07.05 to 11.07.05 and the Respondent's Investigation report was just based on Dr. Mahesh Majeji's report and no other evidence was shown recommending repudiating of the claim.

It is apparent from the above that Respondent's contention merely on the basis of Dr. Mahesh Majeji's report that the DLA was transferred with 2 unit of blood from 09.07.05 to 11.07.05 is not tenable as DLA was a sick prior to proposal.

Had the DLA suffered from the disease since one years as contended by the Respondent, some Investigation reports viz., Blood report/X-ray report, doctor's prescription with regard to treatment, etc. would have been made available to show that DLA was actually suffering by any disease since one year.

It is further observed that the DLA was admitted in Majeji Narsingh Home, Manasa where 2 bottle bloods was given during the period from 09.07.2005 to 11.07.2005.

It is also observed from the records that the DLA was having saving bank account No – 1140 in Ratlam- Mandsaur Kshetriya Gramin Bank, Kajarda from where loan was taken by the DLA. Similarly it is also seen from the records that the DLA was having “ bhoo

adhikar ewam Rin pustika ” for Agriculture land Rakba- 0.433. Hence the contention of the Respondent that the DLA was not having any income is not acceptable.

The Respondent could not submit any evidence to prove that the DLA was sick prior to policy in question as well as it is also not acceptable that the DLA was not having sort of income. Further, no malafide intention of DLA is found in taking the policy in question.

In view of the circumstances stated above, I am of the considered opinion that the repudiation of death claim by the Respondent on this ground stated above is unfair and unjustified.

Hence, the Respondent is directed to pay the death claim amount under Policy No. 344481789 within 15 days of receipt of this order failing which the Respondent shall be liable to pay further interest at the rate of 9% per annum from the date of this Order till the date of actual payment.

Bhopal Ombudsman Centre
Case No.: LI-1100-21/11-07/GWL
Shri Dhan Sunder Jatav
Vs
Life Insurance Corporation of India

Award Dated : 14.02.2007

Shri Dhan Sunder Jatav, resident of Gram Bhageh, Tahsil Dabra District Gwalior M.P. (hereinafter called Complainant) is the son of late Smt. Beti Bai Deceased Life Assured (in short DLA). The DLA took a life insurance policy numbered 201247225 from LIC of India, DO: Gwalior, BO- Dabra (hereinafter called Respondent) on 28.10.2004 for Sum Assured of 50,000/- under Table/Term: 14-15. The DLA died on 18-03-2005 due to Vomitting and loose motion. The complainant has complained that he had preferred death claim with the Respondent but the same was repudiated on the grounds of understatement of age by DLA at the time of taking the policy in question. Further the case was referred to the Claim Review Committee at LIC Zonal Office Bhopal. The ZO CRC in its meeting upheld the DO decision of repudiation on 01-11-2006. Aggrieved from the repudiation action of the Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim.

The complaint was registered & necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained note dated 18.12.06 replied that the DLA was of 63 years age instead of 50 years mentioned by her in the proposal form and she was responsible for understating her age by 13 years. Further she was suffering from paralysis since last three years prior to the date of proposal for insurance. Had she disclosed her actual age and status of her health in the proposal form, the present policy would not have been issued to her at this age. It is, therefore, evident that she had made deliberate and incorrect statements and withheld material information regarding her age and status of her health at the time of affecting the assurance and if she had disclosed his correct age and status of her health in the proposal, the proposal would not have been accepted. Hence in terms of policy conditions and the declarations contained in the form of proposal for assurance and personal statement, the claim was repudiated.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policy No. 201247225 was issued to the DLA by the Respondent on 28.10.2004 and the DLA died on 18-05-2005.

During hearing, the Complainant stated that the DLA was illiterate and was suffering with paralysis and was not in good health at the time of taking the policy. The Insurance was done on the basis of declaration of age of the DLA by the Agent who has filled up the proposal form. The Complainant has further informed that no any other specific requirement was called for the age proof either from the agent or from the Respondent during her life time. The Complainant stated that the DLA was not aware about the information which has been fulfilled by the agent in the proposal forms.

The Respondent stated during hearing that at the time of proposal declaration of age of the DLA was submitted as age proof where in age was declared as 50 years. But it is observed from the copy of Voter List of 2003 of " Vidhan Sabha Kshetra Bhandar Serial No. 665 where in the age of DLA is shown as 62 years in case of proper disclosure of age proposal would not have been completed.

It is also seen from the copy of Identity Card issued by the Electoral Registration Officer Bhandar where the age of son of the DLA is mentioned as 42 years as on 23-10-2003 which shows that the age of the DLA (mother of the Complainant) declared as 50 years at the time of taking the policy is not tenable.

In view of above, it is clear that the DLA has deliberately understated his age to defraud the Respondent in order to accept the proposal and thereby misled the Respondent in taking proper underwriting decision.

However, it is further observed that the Respondent has to call for any other alternative documents such as copy of Ration Card, copy of Voter list etc. for the verification of age at the time of underwriting when the DLA was illiterate and submitted the declaration of age which the Respondent did not take care.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the present case there is concrete evidence, viz., the copy of Voter List of 2003 of " Vidhan Sabha Kshetra Bhandar Serial No. 665 to show that the DLA was aged more by 13 years than what was stated by her at the time of taking policy. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the above, the decision taken by the Respondent in repudiating the death claim under Policy No. 201247225 is just and fair hence does not require any interference.

Bhopal Ombudsman Centre
Case No.: LI-1174-21/01-07/BPL
Smt. Kailash Bai
Vs

Life Insurance Corporation of India

Award Dated : 20.02.2007

Smt. Kailash Bai, Resident of Village: Guradiya Rupchand, Tehsil: Ashta, Distt: Sehore (M.P.) (hereinafter called Complainant) is the wife of Late Shri Dev Singh Mewada, Deceased Life Assured (in short DLA). The DLA had a life insurance policy numbered 351491649 taken from LIC of India, DO: Bhopal, BO: Sehore (hereinafter called Respondent). The Policy commenced on 25.12.1997 under Money Back Plan Table/Term: 75-20 for Sum Assured of Rs. 50,000/-. The DLA expired on 18.10.2004 due to Vomiting, Diarrhea, and anxiety. Thus the Policy had run for 6 years 9 months &

10 days from date of commencement and 1 year 4 months & 1 day from the date of revival. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of revival of the policy. The complainant had referred the case to Respondent's Claims Review Committee for Reconsideration which was also upheld by them on 28.07.2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The complaint was registered & necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained noted dated 17th January 2007 received by us on 24.01.2007 replied that as per the claim form B-1, given by Dr. Hira Dalodriya, the DLA was admitted in civil hospital, Ashta on 04.06.2003 and admission entry no. is 57/1588. As per Doctor's statement the DLA had the history of anemia and dysentery for past 15 to 20 days. During claim investigation done by the then Sr. Branch Manager, Sehore, statements were obtained from the various person residing in the locality of the DLA where in it has been stated that the DLA was suffering from diabetes for past 3 to 4 years and one leg was amputated above knee some 3 year back. However neither the history of Diabetes, nor amputation of one leg and admission in civil hospital, Ashta were mentioned in Declaration of Good Health (DGH) dated 16.06.2003 at the time of revival. Had he disclosed it, underwriting requirements would have been different. Hence, the claim was repudiated due to concealment of material facts regarding health of DLA.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policy No. 351491649 was issued to DLA by the Respondent on 25.12.1997 and policy was revived on 17.06.2003. The death of DLA occurred on 18.10.2004.

During hearing the complainant contended that the DLA has suffered by weakness and Dysentery, he was admitted in Civil Hospital, Ashta, for few hours on 04.06.2003 where one bottle Glucose was injected and was discharged on the same day after some preliminary treatment. The Complainant has further informed that the DLA never suffered by any disease nor taken treatment or he was admitted in any hospital before taking the policy.

The Respondent contented during hearing that the DLA was having a history of Diabetes, amputation of one leg and admission in civil hospital, Ashta prior to date of revival, which he did not disclose in the DGH submitted for revival of the policy. Had he disclosed it, underwriting requirements would have been different. Hence, the revival under the policy was set aside and paid up value prior to revival was admitted due to concealment of material facts regarding health of DLA in the DGH.

On scrutiny of records, it is observed that the Respondent could not produce any evidential proofs, viz., case history sheet, Investigation report, Blood test report, X-ray, prescription of doctor treating him, etc. to prove that the DLA was suffering from Diabetes prior to the date of revival of the policy in question.

The Respondent only tried to strengthen its contention on the basis of claim form 'B' issued by the Dr. Hira Dalodriya dated 21.02.2006 who certified that the DLA was diagnosed with anemia c Dysentery and the Respondent's Investigation report was just based on statements which were obtained from the various persons residing in the locality of the DLA where in it has been stated that the DLA was suffering from

diabetes for past 3 to 4 years and one leg was amputated above knee some 3 years back and no other evidence was shown recommending repudiation of the claim. Even the said Dr. Hira Dalodriya's had not mentioned the history of disease, treatment taken, admission in hospital etc. in reply to the question no- 7 (,ã), (°ã), (Ôã), (ª) & (¾ã). Similarly nothing had been mentioned in reply to question no 10 (,ã), (°ã), (Ôã) which is related with the previous treatments.

It is apparent from the above that Respondent's contention merely on the basis of Dr. Hira Dalodriya's report that the DLA was diagnosed anemia c Dysentery and the Respondent's Investigation report was just based on statements which were obtained from the various person residing in the locality of the DLA where in it has been stated that the DLA was suffering from diabetes for past 3 to 4 years is not acceptable as DLA was a sick prior to date of revival.

Had the DLA suffered from the disease since 3 or 4 years as contended by the Respondent, some Investigation reports viz., Blood report/X-ray report, doctor's prescription with regard to treatment, etc. would have been made available to show that DLA was actually suffering by any disease prior to revival.

It is further observed from the claim form 'B' issued by the Dr. Hira Dalodriya dated 21.02.2006 that the DLA was admitted in Civil Hospital, Ashta on 04.06.2003 for one day and was discharged on the same day. Hence, it is not acceptable that the DLA was actually suffering by diabetes prior to revival. The Respondent could not submit any evidence to prove that the DLA was sick prior to date of revival. Further, no amplified intention of DLA is found in taking the policy in question.

In view of the circumstances stated above, I am of the considered opinion that the repudiation of death claim by the Respondent on this ground stated above is unfair and unjustified.

Hence, the Respondent is directed to pay the death claim amount under Policy No. 351491649 for basic sum assured within 15 days of receipt of this order failing which the Respondent shall be liable to pay further interest at the rate of 9% per annum from the date of this Order till the date of actual payment.

Bhopal Ombudsman Centre
Case No.: LI-1132-21/12-07/RPR
Smt. Ratna Verma
Vs

Life Insurance Corporation of India-

Award Dated 21-02-2007

Smt. Ratna Verma, resident of Village Funda, Post Dewda, Tahsil Patan and Distt. Durg (M.P.) [hereinafter called Complainant] is the wife of Late Shri Bhagwati Ram Verma, Deceased Life Assured (in short DLA). The DLA had three life insurance policies under salary saving scheme of paying authority C.S.E.B. Durg bearing policy number 382723326, 382725529 and 382283846 taken from LIC of India, DO: Raipur, BO-Durg [hereinafter called Respondent]. The details of policies are as under.

| Sr. No. | Policy No. | Date of Commencement | Table/Term | Sum Assured |
|---------|------------|----------------------|-------------|-------------|
| 1 | 382723326 | 28-03-2004 | 14-10 | 75000 |
| 2 | 382725529 | 28-09-2004 | 14-12 | 50000 |
| 3 | 382283846 | 28-03-2003 | 106-15 (12) | 50000 |

The DLA expired on 21-09-2005 suddenly due to high B. P. etc. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the

grounds of suppression of material facts regarding health of DLA at the time of taking the policies. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 31.10.2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policies.

The complaint was registered and necessary forms were issued to both the parties. The reply was received from both the parties.

The Respondent vide its self-contained note received by this office on 29th January, 2007 replied that as per Medical Attendant and certificate of JL N Hospital, Bhilai the DLA died due to DM, CRF, HTN, CRA and DLA was known patient of DM with HTN at the time of proposing for insurance under the policies. The leave records and medical certificate shows that the DLA has availed leave on various occasions on medical ground. The DLA has taken treatment from JL N Hospital Bhilai for neurotising callutiesn Rt thigh and scrotum with DM with HTN since 17-08-2001 to 31-10-2001 (2 and half months) Further he was not keeping well and taking treatment regularly on different occasions from JL N Hospital, Bhilai. From the above facts it is evident that the DLA was suffering from DM, HTN with other ailments since 2001 which were not disclosed in proposal forms submitted for insurance at the time of taking these three policies no. 382723326, 382725529 and 382283846 on 28-03-2004, 28-09-2004 and 28-03-2003 respectively. Had the history of DM with HTN has been disclosed at the time of proposing for insurance, decision for acceptance of the cases would have been affected. The DLA did not mention any thing about his past illness. Considering all these facts LIC repudiate the claim for the reason "Suppression of material facts" on 08.03.2006.

Further the case was referred to the Claim Review Committee at LIC Zonal Office Bhopal. The ZO CRC in its meeting upheld the DO decision of repudiation on 31-10-2006.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the policy number 382723326, 382725529 and 382283846 were issued to DLA by the Respondent on 28-03-2004, 28-09-2004 and 28-03-2003 respectively and death of the DLA occurred on 21-09-2005.

During hearing the complainant stated that the DLA was an employee of C.S.E.B. Patan, Distt. Durg posted as T.A. Grade-1 and he was not suffering from any disease and was in good health at the time of taking the policy in question. The Complainant further added that the DLA was suffering due to cold, cough and fever occasionally.

During hearing, the Respondent contended that there are sufficient evidences confirming that the DLA was a known case of DM with HTN prior to taking the policies. However, the history of aforesaid diseases/ailments was not been mentioned by the DLA in the proposal forms dated 28-03-2004, 28-09-2004 and 28-03-2003 respectively submitted for above policies. The DLA was diagnosed for aforesaid diseases/ailments and hence the claim was repudiated due to concealment of material facts regarding health of DLA. Had the DLA's ill health and treatment details been brought to the knowledge of the Respondent in the proposal form submitted by the DLA, the underwriting decision of the Respondent would have been different.

It is observed from the Medical certificate dated 17-08-2001 issued by Dr.S.Dutta Medical Officer of C.M. Hospital Bhilai (M.P.) that the DLA was suffering from neurotising callutiesn Rt thigh and scrotum with DM with HTN and was advised medical

leave since 17-08-2001 to 31-10-2001 (2 and half months) and the same is also confirmed from the employer leave records. Hence the contention of the Complainant that the leave taken on medical ground for other purpose is not tenable.

It is also observed from Claim forms B & B1 dated 13.12.2005 issued by the JL N Hospital, Bhilai who attended the DLA during his last illness that the primary cause of death is DM, CRF, HTN, CRA and DLA was known patient of DM with HTN. This clearly shows that DLA was already suffering from Diabetes Mellitus and Hypertension but intentionally suppressed in the Proposal forms under Policies in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the present case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed in the Proposal forms. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the above, the decision taken by the Respondent is just and fair hence does not require any interference. The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1219-21/02-07/GWL
Smt. Munni Begam
Vs
Life Insurance Corporation of India

Award Dated : 22.03.2007

Smt. Munni Begam, resident of Lashkar, Gwalior [hereinafter called Complainant] is the wife of Late Shri Vahid Khan Kadiri, Deceased Life Assured (in short DLA). DLA had a life insurance policy number 382837709 taken from LIC of India, DO: Gwalior, BO-2, Gwalior [hereinafter called Respondent]. The Policy commenced on 15.03.2003 under Table/Term: 14-11 for Sum Assured of 1,00,000/- The DLA expired on 07-10-2004 due to stomach pain. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of taking policy. Aggrieved by the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policy.

The complaint was registered and necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained note dated 17-02-2007 replied that DLA had not disclosed his illness in the proposal forms dated 08-03-2003 submitted for insurance and has stated his state of health was "GOOD". Had the history of his illness been disclosed at the time of proposing for insurance, decision for acceptance of the case would have been affected. Hence, the claim under the policy was repudiated due to non-disclosure of material facts.

The Respondent submitted the Medical certificate dated 04-03-2003 and 08-03-2003 for which the DLA availed leave on medical ground from 04.03.2003 to 12.03.2003 with reason Enteric fever. As per leave records obtained from the Employer of the DLA it was confirmed that the DLA has availed the leaves on medical ground for the period 04-03-2003 to 12-03-2003 (9 days), 13-03-2003 to 24-04-2003n (43 days)and 01-05-2003 to 27-05-2003 etc.

The policy in question was proposed on 08.03.2003 where as the DLA did not mentioned any thing about his past illness. Considering all these facts LIC repudiated

the claim for the reason "Suppression of material facts" regarding his health. Further, the case was referred to the claim review committee at LIC zonal Office Bhopal. The ZO CRC in its meeting upheld the DO decision of repudiation on 22-12.2006.

Observations of Ombudsman :

I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the policy number 202033231 was issued to DLA by the Respondent on 15.03.2003 and death of DLA occurred on 07-10-2004 due to stomach pain.

During hearing the complainant contended that the DLA was throughout keeping normal health and that he availed leaves from Office on medical grounds for reasons other than sickness. The complainant further informed that the DLA was having total four policies bearing no. 202031709, 202031214, 202032003 and 202033231 out of which the Respondent has paid the death claim under three policies except the policy no. 202033231.

The Respondent contended during hearing that the DLA was suffering from enteric fever. The policy in question was proposed on 08.03.2003 where as the DLA did not mention any thing about his past illness. The DLA also availed the leaves on medical ground for the same. Hence the death claim was repudiated for the reason "Suppression of material facts" regarding his health.

It is observed from records that DLA was an employee of BSNL as a cashier and he was suffering from Enteric fever prior to the date of proposal. As per leave records obtained from the Employer of the DLA it was confirmed that the DLA has availed the leaves on medical ground for the period 04-03-2003 to 12-03-2003 (9 days), 13-03-2003 to 24-04-2003n (43 days)and 01-05-2003 to 27-05-2003.

It is also observed from the Medical Certificate issued by Dr. A.K.Jain dated 04-03-2003 and 08-03-2003 for which the DLA availed leaves on medical ground from 04.03.2003 to 12.03.2003 with reason Enteric fever, whereas in the proposal form signed by DLA on 08-03-2003 in which the answer of question no. 11 (c) i.e. have you been absent for the last 5 years from your duties on the medical ground ? Saying ' NO ' to this question shows that the DLA had never suffered from any ailment whatsoever in the past and that he was absolutely keeping normal health is not tenable.

This clearly shows that DLA was already suffering from Enteric fever but intentionally suppressed in the Proposal forms under Policy in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the present case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed in the Proposal form. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the circumstances stated above, I am of the considered opinion that the decision taken by the Respondent is just and fair hence does not require any interference.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1231-21/02-07/IND
Smt. Leela Bai
Vs

Life Insurance Corporation of India

Award Dated : 23.03.2007

Smt. Leela Bai, resident of Gram- khurdi Awar, Tah.- Mahoo Distt.- Indore [hereinafter called Complainant] is the wife of Late Shri Mangilal, Deceased Life Assured (in short DLA). The DLA had a life insurance policies number 344096094 and 344096095 taken from LIC of India, DO: Indore, BO Mahoo [hereinafter called Respondent]. The Policies commenced on 15.03.2004 under Table/Term: 93-25 for Sum Assured of 40,000/-each. The DLA expired on 08-05-2005 due to fever, Altered Sensorium Colvulsion. The death of DLA occurred after 1 year 1month and 23 days from the commencement of the policies. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of taking the policies. Aggrieved by the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policies.

The complaint was registered and necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained note received on 12-03-2007 replied that DLA had not disclosed his illness in the proposal forms dated 10-03-2004 submitted for insurance and has stated his state of health was "GOOD". Had the history of his illness been disclosed at the time of proposing for insurance, decision for acceptance of the case would have been affected. Hence, the claim under both the policies was repudiated due to non-disclosure of material facts.

The Respondent submitted the records of M.Y.Hospital, leave records from the Employer with Medical certificate from Dr. J.L.Patidar dated 05-05-2004 for which the DLA availed Earn leave on medical ground from 01-03-2004 to 05-05-2004 for 66 days with reason Pyrexia of unknown origin (PUO).

The policies in question were proposed on 10-03-2004 where as the DLA did not mentioned any thing about his past illness. Considering all these facts LIC repudiated the claim for the reason "Suppression of material facts" regarding his health. Further, the case was referred to the claim review committee at LIC zonal Office Bhopal. The ZO CRC in its meeting upheld the DO decision of repudiation on 22-12-2006.

Observations of Ombudsman : have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the policy number 344096094 and 344096095 were issued to DLA by the Respondent on 15.03.2004 and death of DLA occurred on 08-05-2005 due to fever, Altered Sensorium Convulsion.

During hearing the complainant stated that the DLA was an employee of P.H.E.Deptt. as Helper posted at Mandleshwar and he was not suffering from any disease and was in good health at the time of taking the policies in question. The Complainant further added that the DLA was suffering from cold, cough and fever occasionally.

During hearing, the Respondent contended that there are sufficient evidences confirming that the DLA was suffering from fever, Altered Sensorium Colvulsion prior to taking the policies. However, the history of aforesaid diseases/ailments was not mentioned by the DLA in the proposal forms dated 10-03-2004 for both the policies. The DLA was diagnosed for aforesaid diseases/ailments and hence the claim was repudiated due to concealment of material facts regarding health of DLA. Had the DLA's ill health and treatment details been brought to the knowledge of the Respondent in the proposal form submitted by the DLA, the underwriting decision of the Respondent would have been different.

It is observed from the Medical certificate dated 15-07-2001 issued by the Dr. R.M.Prajapati Medical Officer of Primary Health Centre, Manpur. (M.P.) that the DLA was suffering from Viral Hepatitis and was advised medical leave since 15-07-2001 to 31-08-2001 (2 and half months) and the same is also confirmed from the employer leave records. It is also seen from the case history sheet of M.Y.Hospital where the DLA diagnosed as fever c Altered Sensorium Colvulsion, cerebral Malaria (chronic Alchoalic). Hence the contention of the Complainant that the leaves taken on medical ground for other purposes is not acceptable.

It is also observed from the Medical Certificate issued by Dr. J.C.Patidar medical Officer PHC Somakhedli Tah. Mandleshwar dated 05-05-2004 for which the DLA availed leave on medical ground from 01-03-2004 to 05-05-2004 with reason Pyrexia of Unknown origin and bed rest was advised for this period, whereas in the proposal form signed by DLA on 10-03-2004 in which the answer of question no. 11 (c) i.e. " Have you been absent for the last 5 years from your duties on the medical ground? ", Saying ' NO ' to this question shows that the DLA had never suffered from any ailment whatsoever in the past and that he was absolutely keeping normal health is not tenable.

This clearly shows that DLA was already suffering from fever, Altered Sensorium Colvulsion/serious ailments but intentionally suppressed in the Proposal forms under Policies in question.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the present case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed in the Proposal forms. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the circumstances stated above, I am of the considered opinion that the decision taken by the Respondent is just and fair hence does not require any interference. The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1238-21/02-07/GWL
Smt. Indra Devi Kandha
Vs

Life Insurance Corporation of India

Award Dated 26-03-2007

Smt. Indra Devi Kandha, resident of Datia [hereinafter called Complainant] is the wife of late Shri Hasmathram Kandha, Deceased Life Assured (in short DLA). The DLA took a life insurance policy numbered 201211195 under Table/Term 75-20 for sum assured of Rs 100000=00 on 28.12.95 from LIC of India, Divisional Office: Gwalior, Branch Office: Dabra [hereinafter called Respondent]. The Policy lapsed due to non-payment of half yearly premiums due for 06/96 to 012/99 and subsequently the same was revived on 03.01.2000 on the basis of Declaration of Good Health (in short DGH). The DLA died on 08.01.2000 due to heart attack and death claim was preferred by the Complainant with the Respondent. The complainant has complained that the same was repudiated by the Respondent. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 01-11-2006. Aggrieved by the repudiation action of the Respondent, the complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The complaint was registered & necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide its self-contained noted dated 26-02-2007 received by us on 28-02-2007 replied that Policy numbered 201211195 was issued to DLA on 28.12.95 for a sum assured of Rs. 100000/-. Then, the policy lapsed and the same was revived on 03.01.2000. Thus the Policy has run for 4 years 1 month and 10 days from the date of commencement and only for 5 days from the date of revival. The matter was under investigation as there is a difference in the signature of DLA on DGH for revival and the death certificate was prepared after 9 months of death of DLA. Owing to the above reasons, the claim settlement was delayed and now they have repudiated the death claim on the ground that the signature done on DGH dated 03-01-2000 is not of the DLA.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policy No. 201211195 was issued to DLA by the Respondent under Money Back Plan on 28-12-1995 for sum assured of Rs. 100000/-. The Policy was revived by DLA on 03.01.2000 and the DLA died on 08.01.2000 due to heart attack.

During hearing the complainant contended that the DLA was throughout keeping normal health and has a kirana shop at Dinara where he used to go there daily. The Complainant has further informed that the DLA never suffered from any disease nor taken treatment or was admitted in any hospital before reviving the policy. The death of DLA was due to heart attack.

During hearing the Respondent stated that the policy was commenced on 28-12-1995. The policy was lapsed since Hly due 06/96 and was revived by paying arrears of premium for due 06/96 to 12/99 on 03-01-2000 on the basis of DGH. The respondent further informed that the signature of DLA on the DGH dated 03-01-2000 was not tallied with the signature on the proposal of policy in question. Hence the death claim was repudiated by the Respondent.

It is observed from records that the claim was repudiated by the Respondent due to the reasons that the signature of DLA differs in DGH for revival. On scrutiny, it is observed that the Date of Death of DLA is 08.01.2000 and the death certificate is dated 22.09.2000 but the Respondent has not raised any objection about the issue of death certificate

It is observed that the Respondent has taken the decision of repudiation on 11-02-2006 on the basis of report of hand writing expert dated 30-12-2005 which was already lying with them and not any extra efforts were made to establish the signature of DLA from any other admitted proof of his signature such as bank account, school records, ration cards etc. and the decision of repudiation was taken only after the order from this forum issued on 31-01-2006. If the decision was to be taken merely on the Hand Writing Expert's they could have taken the decision earlier, which shows unreasonable delay in deciding the claim.

It is seen from records that when the DLA was ready to revive his policy by paying the amount of Rs 32232=80 then there is no point that he could have not signed the DGH submitted at the time of revival with 3 ½ years premium in arrears, even the original claim forms were also misplaced. It may also possible that the DGH originally submitted by the DLA is replaced by the Respondent to strengthen the repudiation action.

It has also not been verified by the Respondent that the signature of witnesses on the DGH were by unknown person and not by the agent or Development Officer of LIC of India. Further, It is found from the records that there is no such person named Ramprasad witnessed who signed on DGH is residing at the address Ram kirana store, Datia denied that he has signed on any such DGH. On the contrary the person who could have signed the DGH confirmed that he had not signed such DGH which was also confirmed by the investigating officer.

Thus there is no concrete reason found to accept the delay in repudiation of claim by the Respondent even after a period of 5 years and the ground for repudiation. The Respondent has failed to adduce any documentary proof to show that there was malafide intention of DLA on any count at the time of reviving the policy.

In view of the above, it stands that the Respondent's decision of repudiation of the death claim payment under the Policy is not just and fair.

Hence, the Respondent is directed to pay the death claim amount under Policy No. 201211195 within 15 days of receipt of this order failing which the Respondent shall be liable to pay further interest at the rate of 9% per annum from the date of this Order till the date of actual payment.

Bhubaneswar Ombudsman Centre

Case No. : 24 -001-0331

Sri Arjun Sahu

Vs

Life Insurance Corporation of India

Award Dated : 10.10.2006

The deceased life assured Lilabati Behera had obtained two Bima Kiran Policies under Table & Term 111-29 from Phulbani Branch of LIC of India vide Policy Nos. 570389697 & 570389948 commencing from 24.12.99 & 15.1.2000 for assured sum of Rs.100000/- and Rs.200000/- respectively. She had also obtained one Jeevan Sathi policy under Table & Term 89-20 from the same branch on 24.12.99 for an assured sum of Rs.100000/- vide policy no. 570389802. In all the three policies Complainant was nominated as beneficiary in the event of her death. Due to non payment of premiums the above three policies were lapsed w.e.f. Dec'02, Jan'03 and Dec'02 respectively and on payment of arrear premiums with interest and submission of PSRH the policies were revived on 21.1.2004.

Unfortunately the assured died on 7.12.2004. The death claims lodged by the Complainant were repudiated by the Insurer on the ground inter alia that the Assured had suppressed material fact of pre-existing disease at the time of revival.

The complaint was taken up for hearing on 19.6.2006 in presence of both parties. It was contended by the Complainant that factum of the pre-existing disease was not known to the assured and she had paid the premiums regularly through Panchanan Sahu, Agent of the Insurer. The agent misappropriated the premiums and absconded thereafter for which the policies lapsed.

The representative of the Insurer on the other hand submitted the assured was suffering from Breast High grade Sarcoma on the date of revival which material fact was not disclosed in the PSRH.

Admittedly three lapsed policies were revived on 21.1.2004 on payment of arrear premiums with interest and submission of PSRH stating therein that she was in sound health. The Xerox copies of medical papers and certificate of TMH, Mumbai produced by the Insurer reveal that the assured was a known case of breast (L) high grade

sarcoma w.e.f. 10.2.2002 and she was referred to OPD on 21.1.2004 and undergone surgery on 24.2.2004. The three conditions for revival envisaged in the policy are :- the state of health on the date of revival, any change in occupation and factual payment of the arrears. In the present case the assured was suffering from Breast Cancer and visited OPD of TMH on the date of revival which material fact was suppressed in the PSRH.

The repudiation therefore cannot be faulted on any score. Regarding misappropriation of premiums by the agent C.V.O. of the Insurer may make a thorough enquiry and take appropriate action at his end.

Bhubaneswar Ombudsman Centre

Case No. : 24 -264

Sri Alekha Chandra Bhoi

Vs

Life Insurance Corporation of India

Award Dated : 13.10.2006

The deceased life assured Kabuli Kandi, while serving as Anganwadi Worker under Balikuda Block had obtained a Bima Kiran Policy under T&T 111-20 commencing from 28.7.97 for an assured sum of Rs.50000/- under Mly SSS mode from Jagatsinghpur Branch of LIC of India. She had nominated her husband, the Complainant as beneficiary in the event of her death vide policy no.581520114.

Unfortunately the assured died on 13.10.02 & the complainant as nominee lodged the claim with the insurer. The Insurer repudiated the claim on the ground inter alia that the policy had lapsed w.e.f. March'02 due to non payment of premiums.

The complaint was taken up for hearing in presence of both parties on 26.6.2006. It was contended by the Complainant that employer was responsible for non remittance of premiums. The Insurer on the other hand submitted that the employer stopped deducting premiums from the salary of the assured w.e.f. Nov'2001. The assured paid premiums directly for months Dec'01 to Feb'02 only and discontinued thereafter for which the policy lapsed.

Under SSS mode, the employer gives facilities to the representatives of the Insurer to contact the employees to offer life insurance cover to them. Premium amount, if an employee agrees to insure under the scheme are to be deducted every month from employee's salary and the amount so collected are paid to the insurer by one cheque by the employer. This ensures for the employee regular payment of premium at concessional rates.

The employee policy holder is also required to submit letter of authorization alongwith the proposal. It emanates from the bi-partite agreement letter of the employer and authorization of the employee that the employer undertakes to deduct premium for which no notice or receipt will be issued to the employee. The assured in the letter of authorization has undertaken that she shall be entirely held responsible for any consequence on account of non payment of premiums for reasons beyond the control of the employer viz :- in the event of proceeding on leave without pay or drawing advance salary without deduction of premiums or withdrawing the authorization by a due notice to the insurer after the initial period of three years or in the event of her leaving service.

The assured was a low paid employee getting a paltry honorarium of Rs. 438/- p.m. and mly. premium under the policy was Rs.62/- only. The employer deducted premium from her salary up to Oct'01. Thereafter there was abnormal delay in drawal and

disbursement of salary as reported by CDPO, Balikuda, the employer. It is evident from the statement received from the employer that they were careless and most irregular in drawal and disbursement of the salary. The employer was never bothered to intimate the insurer about irregular drawal and disbursement of salary. The bi-partite agreement does not also whisper a word about arrangement for payment of premium in the event of delayed drawal and disbursement.

It is the duty of the employer to draw and disburse salaries of their employees in time. Delayed payment and disbursement of assured's salary from Nov'01 to Sept'02 is a gross negligence on the part of the employer. Hence the blame for non payment of premium can not be laid at the door of a low paid employee like the assured. The Insurer also should not side track the laws set down by the apex court on this issue in the case of DESU vrs. Basanti Devi and Another(1999) NJC SC 539. It is therefore found to be a fit case for ex-gratia award.

An ex-gratia award of Rs.25000/- under Rule 18 of RPG Rules'98 is given to the Complainant.

Bhubaneswar Ombudsman Centre
Case No. : 21-001-0165
Sri Achutananda Swain
Vs
Life Insurance Corporation of India

Award Dated : 12.10.06

The deceased life assured Biswaranjan Swain had obtained a Jeevan Mitra(Trippl Cover) Endowment Assurance with Profit Policy under T & T 133-25 for an assured sum of Rs.50000/- commencing from 27.11.02 nominating his brother Manas Ranjan Swain as beneficiary in event of his death vide Policy No.585022415.

As ill luck would have it, the assured died on 4.6.2003. The nominee lodged death claim with the Insurer. The Insurer repudiated the claim on the ground interalia that the assured committed suicide within the operative period of suicide clause.

The complaint was taken up for hearing on 19.6.2006 in presence of both parties. The Complainant contended that the assured died out of suspected poisoning whereas the representative of the Insurer dubbed it as a case of suicide.

Admittedly on 3.6.2003 the assured traveled from Bhubaneswar by a Cuttack bound bus and while alighting at Pratapnagari at about 7pm fell down unconscious. He was rushed to SCB Medical College & Hospital, Cuttack where he died at 3.45 a.m on 4.6.2003 while taking treatment. Doctor conducting autopsy over the dead body of the assured reserved opinion as to cause of death. Consequent upon death of the assured Manglabag P.S. U.D. Case No.516 dtd.4.6.2003 was registered. The investigating officer submitted final report stating it to be a case of suspected poisoning.

Ordinarily nobody commits suicide inside a bus during a short journey. The insurer has not made any investigation in to the matter nor they have produced any proof in support of their contention that the assured committed suicide. In the absence of any evidence to the contrary, Final Report submitted in the U.D. Case No. 516 dtd. 4.6.2003, holding the death of the assured as a case of suspected poisoning is accepted.

The repudiation is set aside.

Bhubaneswar Ombudsman Centre

Case No. : 21-001-0168

Sri Lingaraj Sahoo

Vs

Life Insurance Corporation of India

Award Dated : 18.10.06

The deceased life assured Rashmi Ranjan Sahoo had obtained a Bima Kiran Policy on 28.9.1999 under Table & term 111-30 for an assured sum of Rs. 200000/- under Qly mode of payment from LIC of India, Phulbani Branch vide Policy No. 570389020 nominating his father, the Complainant as beneficiary in the event of his death. Due to non payment of premium the policy lapsed w.e.f 12/2000 and the assured got it revived on 17.9.2002 on payment of arrear premiums with interest and submission of PSRH and Full Medical Report. Unfortunately the assured died on 27.11.02. The Complainant lodged death claim which was repudiated on the ground inter alia that the assured had suppressed material facts relating to pre-existing disease at the time of revival.

A hearing was held on 19.6.2006. It was contended by the Complainant that the assured died at home out of encephalitis and had no pre-existing disease at the time of revival. The Insurer submitted that the assured was suffering from Brain Tumour prior to date of revival.

The death of the assured on 27.11.2002 at his native place is not disputed. The dispute centers round whether he was suffering from Brain Tumour on the date of revival as alleged by the Insurer. Based on the statements of two villagers to the Investigating Officer of the Insurer, it was contended that the assured died 16 months after operation of brain tumour. The two witnesses have not filed any affidavit before this forum. The Insurer has also not produced any medical evidence in support of their plea that the assured had undergone brain tumour operation 16 months prior to his death. The doctor of the Insurer Dr. P.K.Das code no. 8480 who had examined the assured on 14.9.2002 i.e 3days prior to the revival found him in good health.

The conditions prescribed in the policy for revival are : the state of health on the death of revival any change in occupation and factual payment of arrears. In the present case as certified by the doctor of the Insurer, the assured was in good health on the date of revival. The repudiation therefore is arbitrary. The Insurer is directed to pay the death claim of Rs.200000/- along with interest @ 5% p.a. from the date of complaint i.e. 27.4.2005 till payment to the Complainant.

Bhubaneswar Ombudsman Centre

Case No. : 21-001-0214

Smt.Sumitra Panda

Vs

Life Insurance Corporation of India

Award Dated : 13.12.06

On 15.3.2003 the deceased life assured Basudev Panda had obtained a Jeevan Surabhi Plan under Table & Term 107-20 for an assured sum of Rs. 40000/- under monthly mode of payment from LIC of India Rayagada Branch vide policy no. 570945079 nominating the Complainant as beneficiary in the event of his death. As ill luck would have it the assured died in a road accident on 17.7.2004. The assured was defaulted in paying premiums and on the same day the premiums for the gap period from 3/04 to 6/04 was paid at 1.31 PM on behalf of the assured. In Oct'04 the

Complainant lodged death claim with the Insurer which was repudiated on the ground interalia that gap premiums were paid after death of the assured.

A hearing of the claim was held on 30.10.2006 at Jeypore camp. The Complainant contended that on 16.7.2004 the Complainant had been to Rayagada Branch to deposit the premiums. But the payment could not be made as the office was closed due to strike. On 17.7.2004 he proceeded to Berhampur on official work entrusting money to his younger brother to pay premiums. His younger brother being unaware of the fact of his brother's death paid premium at 1 PM on 17.7.2004. It was submitted on behalf of the Insurer that there was no strike on 16.7.2004 and the Branch was functioning normally. The premium was paid on 17.7.2004 at 1.31 PM after the death of the assured in a road accident on the same day at 11 AM for which the claim was repudiated.

The Insurer in support of their contention that Rayagada Branch was open and functioning on 16.7.2004 have produced Xerox copy of staff attendance register showing presence of the staff during office hours. In face of this documentary evidence the statement of the Complainant that office was closed due to strike is not worthy of credence. It appears from police report that the assured died in a road accident on 17.7.2004 at 11 AM. The premium were paid on the same day at 1.31. PM. Payment of premiums after death of the assured is also admitted by the Complainant. Since the premiums have been paid after death, the Insurer have rightly repudiated the claim. But they should have in all fairness refunded the premiums as soon as they came to know the death of the assured/repudiated the claim.

The Insurer is directed to refund the premiums amounting to Rs. 1357/ with interest @ 9% p.a from date of deposit i.e 17.7.2004 till the date of payment.

Bhubaneshwar Ombudsman Centre
Case No. : 21-002-0195
Smt. Kamala Dwivedi
Vs
SBI Life Insurance Co.Ltd.

Award Dated : 08.01.07

The Complainant is the wife of deceased life assured Hrushikesh Dwivedi who had obtained housing loan to the tune of Rs. 100000/- from SBI Nowrangpur Branch on 29.3.2004 and was covered inder SBI Life Group Insurance namely SBI Life Super Suraksha for housing loan borrowers of the SBI for an assured sum equivalent to outstanding loan amount including interest as per EMI schedule during tenure of the loan w.e.f. 1.4.2004 and the DD for premium amounting to Rs.4409/- was done on the same date. Unfortunately the assured died on 30.8.2004. The Complainant lodged the death claim which was repudiated by the Insurer on the ground interalia that it was an un concluded contract.

The complaint was heard on 28.11.2006. The Complainant contended that premium was deducted on 29.3.2004 and DD for Rs. 4409/- was prepared on the same date. The insurance certificate has been issued. Therefore the question of un concluded contract does not arise. It was submitted by the Insurer that the premium draft was received by them on 27.9.2004. Being unaware of the death of the assured they sent the DD & proposal from to TPA namely S.B.S. Chenai and the TPA received the documents on 15.10.2004. Since the DD was stale they returned it back for revalidation. The revalidated draft was received by TPA during March'05. As the DD was received after death there was no concluded contract.

There was no dispute that the DD for the premium amount Rs. 4409/- was prepared on 29.3.2004 by SBI Nowrangpur which is the nodal agency of the Insurer. The assured died on 30.8.2004 after payment of premium. The assured had no role to play and the ball was on the court of the insurer. In spite of repeated requests and long adjournment, the nodal agency (SBI Nowrangpur) avoided to furnish date of despatch of draft to the Insurer.

Explanation to Section 64 VB of Insurance Act 1938 provides “ where the premium is tendered by M.O. or cheque sent by post, the risk may be assumed on the date on which the money order is booked or the cheque is posted as the case may be.

In the present case premium DD was prepared on 29.3.2004 and the assured died 5 months thereafter. The nodal agency avoided to state the date on which the DD was despatched to the Insurer. Therefore the adverse presumption u/s 114(g) of Indian Evidence Act is to be drawn against the Insurer.

The TPA is not a party to the contract. The assured is in no way concerned with a third party. The Assured has performed his part of the contract. The contract therefore can not be dubbed as unconcluded for the remissness of the law. The repudiation is therefore not sustainable in law.

The Insurer is directed to settle the claim by liquidating the outstanding loan with interest.

Bhubaneswar Ombudsman Centre

Case No. : 21-009-0172

Smt. Modulu Epli

Vs

Bajaj Allianz Life Insurance Co.Ltd.

Award Dated : 30.01.07

The Complainant is the widow of deceased life assured Epli Judhisti who had obtained a Risk-Care- Economy non participating policy for 15 years term for an assured sum of Rs.4,50,000/- commencing from 13.11.2003 from Bhubaneswar Branch of Bajaj Allianz Life Insurance Co. Ltd. vide Policy No. 3277432 nominating the Complainant as beneficiary in the event of his death. Unfortunately the life assured died on 29.11.2003 due to accidental fall from the stair case of the house. The Complainant as nominee lodged the death claim which was repudiated by the Insurer on the ground interalia that it was an unconcluded contract.

The Complaint was taken up for hearing in presence of both parties. It was contended on behalf of the Complainant that the assured died on 29.11.2003. The date of risk stated in the policy document being 21.11.2003, the contract was concluded and binding on the Insurer.

It was submitted by the Insurer that though the SUC was Rs.4,50,000/- the TASA including previous policies comes toRs.9,00,000/- for which medical examination is mandatory before acceptance of the proposal. In response to their letter dt. 23.12.2003, the medical examination report of the assured was submitted in the prescribed format issued by Dr. R.K.Mohapatra of Berhampur certifying good health where upon the policy document in question was issued on 14.4.2004 stating date of risk as 21.11.2003. Subsequently on lodging of claim , it came to light that the assured had died on 29.11.2003 i.e prior to the alleged medical examination. The Complainant practiced fraud in obtaining the policy by producing a created medical examination report on 12.4.2004 i.e after death of the assured for which the claim was repudiated.

The Corporate Agents' Manual produced on behalf of the Complainant provides for medical examination for SUC when modified by TASA to the tune of Rs.9,00,000/-. In the present case the TASA being Rs.9,00,000/- medical examinations of the proposer is required as per the underwriting procedure of the Insurer. On 12.4.2004 the Insurer received the medical examination report of the Assured. The copy of death certificate reveals that the assured had died on 29.11.2003 at Rangunipali. Evidently the assured was not alive on the alleged date of medical examination. The medical report therefore was a created one.

The policy was issued on 14.4.2004 showing 21.11.2003 as date of risk as conclusion of the contract which was dependent on medical examination report of the assured. As the medical examination report was created after death of the assured, the policy was obtained by fraud and as such void ab-initio.

The repudiation therefore cannot be assailed.

Bhubaneshwar Ombudsman Centre
Case No. : 21-002-0203
Smt.Ashalata Parida
Vs
SBI Life Insurance Co.Ltd.

Award Dated : 29.01.07

The Complainant is the widow of deceased proposer Prasanta Kumar Parida who had obtained a housing loan of Rs.12,50,000/- from SBI, Cuttack City Branch on 8.7.2004. A sum of Rs. 55,288/- was debited from his loan A/c. as premium for coverage under "SBI Life Super Suraksha group Insurance for housing loan borrowers of SBI" for an assured sum equivalent to outstanding loan amount including interest as per EMI schedule during tenure of loan.

As ill luck would have it the proposer died on 27.3.2005 due to Cardiac Arrest before issuance of Certificate of Insurance. The Complainant as nominee lodged death claim which was repudiated on the ground interalia that it was an uncompleted contract as the proposer had not undergone the required medical examination.

In a hearing held on 28.11.2006 it was contended on behalf of the Complainant that no notice for medical examination was issued to her late husband whereas the representative of the Insurer contended that their agent (CIF) had noticed the proposer for undergoing medical examination.

Sub clause IV of Clause 2 of Product feature of the scheme states that for loan amount above 7.5 lakh the proposer is required to undergo a medical examination and the cost of medical examination will be borne by SBI Life. As the proposer had taken loan amount exceeding 7.5 lakh, he was required to undergo medical examination as per the policy condition.

The representative of the Insurer stated during hearing that the proposer was given a list of panel doctors with advise to get himself medically examined. It is stated in their SCN that their agent Certified Insurance Facilitator (CIF) had issued notice to the proposer to undergo medical examination. But these bald statements uncorroborated by any documentary proof are not worthy of credence. The Complainant stated during hearing that Sri A.K.Chatterjee, BM,SBI Cuttack City Branch had told the proposer that he will get notice for medical examination from the Insurer. The Complainant has also failed to substantiate her contention.

It is therefore manifest that both sides were negligent in conducting medical examination. Since medical examination is a precondition for acceptance of the

proposal the contract remains unconcluded & as such the repudiation cannot be faulted on any score. The Complainant, if so likes may take legal action in appropriate forum against the concerned officers of the Insurer responsible for keeping the premium amount of the proposer on hold for more than eight months without processing for his medical examination.

The Complaint stands dismissed.

Chandigarh Ombudsman Centre
Case No. : LIC/192/Srinagar/Jammu-II/21/07
Ramesh Kumar Bhagat
Vs
Life Insurance Corporation of India

Order dated: 22.11.06

FACTS : Shri Ramesh Kumar Bhagat's wife Late Smt. Indrani Bhagat had taken two policies bearing nos. 140956473 and 140799409 from Branch Unit-II, Jammu. He stated that his wife was employed in Doordarshan Jammu for 22 years and she did not avail any type of medical leave during her service. He further stated that no material facts/information regarding her health were withheld at the time of revival of insurance policies. He, however, admitted that his wife was not feeling well for the last two years. Though doctors were consulted and treatment was taken, she could not recover and died. The death claims filed by him were repudiated. Since he was not satisfied with the decision of the insurer, he sought intervention of this Forum in getting the death claims paid to him.

FINDINGS : On referring the case to the insurer it was informed that the death claim was repudiated after it was found that deceased life assured had withheld material information regarding her health at the time of revival of both the policies on 19.04.2002 (140956473) and on 28.10.2002(140799409) respectively and revivals were effected on the basis of Declaration of Good Health. It was informed that the policyholder died on 02.05.2005. The investigation conducted in this case revealed that deceased life assured had remained under treatment for chronic renal failure from 30.08.1999 to 08.09.1999 and from 15.02.2001 to 01.03.2001. While both these periods fall prior to the date of revivals, this fact was not disclosed in the D.G.H. form. It was denied that LIC office had any record of DLA not keeping good health during her life time. It was categorically stated that such records were collected only after death of life assured. He further informed that the claims were repudiated on the basis of concealment of material facts and claimant has accordingly been informed. The complainant stated that as per Section 45 of Insurance Act, 1938, the onus of proving that there was a fraudulent and intentional misrepresentation of fact or concealment lies on the insurer. Otherwise, the insurer cannot call the policy in question after expiry of period of two years. In the instant case, both the policies had run for more than two years from the date of revival. The representative of insurer mentioned that there was a medical certificate to show that the deceased whose life was assured was suffering from renal diseases, but the certificate was not enough to prove that it was a chronic disease. It only proved that the treatment was taken and subsequently patient was declared fit for active service.

DECISION : Held that since the policyholder had not suppressed material facts intentionally or fraudulently, the insurer was under liability to make payment of full sum assured under both the policies mentioned above to the nominee of Smt. Indrani Bhagat. Hence ordered that payment be made to the nominee.

Chandigarh Ombudsman Centre
Case No. : LIC/333/Ludhiana/Jagraon/21/07
Charanjit Kaur
Vs
Life Insurance Corporation of India

Order dated: 24.1.07

FACTS : Smt. Charanjit Kaur's husband Late Shri Sardar Surjit Singh had taken a policy bearing no. 161493098 from Branch Office, Jagraon for sum assured of Rs. 25,000/- with DOC 28.12.2002. The policy was revived on 24.05.2005. He died on 27.06.2005. She stated that the premiums were paid regularly under the policy. She lodged death claim with relevant documents which was repudiated on the ground of suppression of material facts at proposal stage. She vehemently denied allegation that her husband was habitual of consuming drugs and selling them. She came to know of this allegation when a fake case was registered against him.

FINDINGS : The insurer informed vide letter dated 18.12.2006 the DLA died in police custody on 27.06.2005. He was detained by the police under section 15 of N.D.P.S. Act. He was also detained by the police on 12.08.2000. It was further informed that an investigation was conducted which revealed that DLA was in the habit of taking excess liquor and drugs. He was admitted in Rajindra Hospital, Patiala for treatment of diseases because of excess liquor and drugs. The policy was revived on 24.05.2005. However, these facts were not disclosed by him at the time of revival of the policy. The insurer stated that the policy was in force on the date of death. There was intimation given by police authorities that the DLA was a habitual alcoholic and consumer of drugs etc. It was found that no proof of pre-existing disease could be established by the representative of insurer. The record given in the claim form by the medical authorities was based on the information furnished by police attendant who was not a medical practitioner. While it may be a fact that the DLA was selling drugs etc., but that related to his activities for which the police had already registered a case against him and it had no relevance with the insurance policy as the terms of insurance policy do not mention that insured should not indulge in illegal activities at the time of taking up the insurance policy for basic sum assured.

DECISION : Held that the claim of the complainant for payment of admissible amount under the basic sum assured was tenable. Hence ordered that the insurer should make payment of admissible amount for basic sum assured along with accrued bonus.

Chandigarh Ombudsman Centre
Case No. : LIC/356/Chandigarh/Malerkotla/21/07
Smt. Sariya
Vs
Life Insurance Corporation of India

Order dated: 27.2.07

FACTS : Smt. Sariya who happens to be the nominee under the policy stated that her husband had taken two policies; one for himself and the other on the life of his son in the month of June 2004. He had submitted driving licence as age proof for himself and ration card for his son. Both the age proofs were accepted by the insurer and policies were issued. Unfortunately, the complainant's son died on 03.05.2005 due to heart attack. During investigation, the insurer procured his date of birth from the school record which differed from his actual date of birth. She further stated that there was no adverse family history or health problem in her entire family. The insurer had declined

the claim stating that her son being a minor at the time of proposal was not legally qualified to contract. Being an illiterate family, they were not aware of the complication due to overstatement and there was no intention to deceive the insurer.

FINDINGS : The insurer informed that Shri Iyameen (DLA) was issued a money back policy for sum assured of Rs. 1,05,000/- with DOC 23.06.2004. It was further informed that in the policy papers DLA stated his date of birth as 05.01.1984 and submitted the ration card dated 05.07.1995. Accordingly, the age nearer birthday comes to 20 years on the date of proposal. Just after 10 months 10 days, LA died due to heart attack without any medical aid. Being an early claim, bonafides were investigated and it was found to be a case of overstatement of age by three years. As per school record, date of birth is 09.01.1987 and not 05.01.1984 as stated by DLA in his proposal papers. Hence, accordingly age nearer birthday as on date of risk commenced comes to 17 years 05 months 14 days i.e. minor. Therefore, as per policy contract, minor had no capacity to enter into any contract. Hence, the contract was void ab initio. Therefore, considering all facts of the case, the Competent Authority decided to repudiate the claim and the same was duly conveyed to complainant vide letter dated 31.12.2005. On a query whether any certificate from registrar of birth or death is available, the reply was in the negative. The complainant pleaded that the actual date of birth was not known and assessed date of birth was given both in ration card and to school authorities. The DLA had given a declaration without fully comprehending the questionnaire regarding the age proof. It was found that the basic issue was correct age of DLA at the time of taking insurance cover. The complainant could not produce any documents from the office of registrar of deaths and births. The insurer was advised to depute a responsible officer to the village/ hospital where the DLA was born to ascertain the correct age and obtain a proof to that effect.

DECISION : Held that based on above document the claim be settled on merits within 45 days. In case no document was made available as proof of date of birth the present repudiation should hold good.

Chandigarh Ombudsman Centre
Case No. : LIC/407/Ludhiana/Khanna/21/07
Kulwant Kaur
Vs
Life Insurance Corporation of India

Order dated: 30.3.07

FACTS : Smt. Kulwant Kaur's husband Late Shri. Kulwant Singh purchased a policy bearing no. 300175685. He expired on 14.4.05. The requisite documents pertaining to claim were submitted in the insurer's office for settlement of claim, but the same was repudiated in February'06. She urged intervention of this forum in settlement of claim in her favour.

FINDINGS : The insurer informed that the DLA submitted proposal dated 20.12.04 for Rs. 1,50,000 and stated that he had no problem of sugar and BP at the time of proposal and even earlier. However, DLA had high BP since last 5 years and sugar sickness since 1.1.2002. The insurer informed that they had sufficient proof from treating doctor which confirms that DLA was suffering from sugar and high BP. Hence the claim was repudiated accordingly as DLA misstated and concealed facts regarding his adverse physical history knowingly. Hence Section 45 of Insurance Act was also operative in this death claim under the policy.

DECISION : Held that the repudiation of claim by the insurer was in order. No further action is called for and the complaint was dismissed.

Chandigarh Ombudsman Centre
Case No. : LIC/425/Ludhiana/24/07
Sapna Rani
Vs
Life Insurance Corporation of India

Order dated: 30.3.07

FACTS : Smt. Sapna Rani's husband Late Shri. Nirmal Jeet Dhand had taken three policies bearing nos. 300494770, 300493932 and 300493933. The death claim filed under the said policies was repudiated by the insurer on the ground of deceased having withheld correct information regarding health at the time of effecting the policy. The complainant stated that her father-in-law and her husband had given correct information to the agent and the LIC officer about the admission in the hospital and was operated thereafter. She stated that she was a witness to the above information being given to the agent and LIC officer. Now they are not at fault. She urged intervention of this forum in settlement of claims in her favour under the said policies.

FINDINGS : The insurer informed that the DLA was operated for Pneumo Thorax as per the CR No. 3965 dated 3.11.05. The DLA himself informed the doctor about acute pain in chest and breathlessness and he remained in the hospital from 3.11.05 to 21.11.05. In view of the above report it is clear that the DLA suffered from heart problem before the date of proposal and it was also in the knowledge of the DLA which he did not disclose it in the proposal form. Had he disclosed it in the proposal form, the case would have been underwritten after due consultation with the DMR. Hence, first part of section 45 of Insurance Act, 1938 became operative and the claim was accordingly repudiated.

DECISION : Held that in view of the clarifications given by the insurer and corroborative evidence on record, the repudiation of the claim by the insurer was in order and the same was upheld. The complaint was dismissed.

Chandigarh Ombudsman Centre
Case No. : HDFC/397/Mumbai/Hissar/21/07
Sukhjiv
Vs
HDFC Standard Life Insurance Co. Ltd.

Order dated: 29.3.07

FACTS : Ms. Sukhjiv's husband Late Shri Rohit Joshi had purchased a policy bearing no. 10403372 with DOC 30.10.05 for SA of Rs. 5 lakhs under Term Assurance Policy. Her husband expired on 20.5.06 due to sudden heart problem. The insurer wrongly repudiated the claim considering the cause of death as suicide. She stated that she has no source of livelihood and total liability on her old parents who also have no source of income. The PMR did not mention that traces of poison were found in the body. The cause of death was shown as cardio pulmonary oedema. She contended that this was not a case of suicide but natural death.

FINDINGS : The insurer informed vide letter dated 6.3.07 that the LA Shri Rohit Joshi was issued a Term Assurance Policy on 24.10.05. The LA expired on 20.5.06 after the policy had been in force for less than 7 months. The LA was 34 years of age and probably this was the only insurance policy he had. The investigations revealed that LA had committed suicide and his body was found near a field. The father of LA had reported to the Police that LA had committed suicide and that his body was found near a field, away from the residence. The death report by the police also stated that the LA may have committed suicide by consuming poison. The Chemical Analysis Report

states that no common poison was found in the samples checked. The Medical Officer opined that it may be due to the fact that more than 6 hours had elapsed after the ingestion of the poison. It was stated that as LA had committed suicide within one year of the date of issue of the policy, the complainant's claim stood excluded under clause 8 of the policy. Hence the claim was invalidated vide letter dated 11.1.07. The insurer further quoted decision of the National Consumer Disputes Redressal Commission in Laxman Prasad Patel Vs LIC & others, in support of company's stand that the statement to the Police by the father of their son having committed suicide is reliable evidence in law. Copy of the National Commission's Order was enclosed for perusal. It was submitted that the company had repudiated the claim bonafide and on relevant considerations. On a query whether the father of the deceased was present at the time of death, the reply was in the negative. On a query whether any suicide note was found, the reply was in the negative. On a query whether the chemical analysis report mentioned traces of poison in the body, the insurer mentioned that the PMR and chemical analysis were done after six hours when the poison contents could have been untraceable. The contention of the insurer that the statement of the father should be the basis for DLA having committed suicide was not in order, as it could be an opinion expressed on the spur of the moment when he was confronted by a sudden shock. The PMR and chemical analysis report do not substantiate the suicide theory and a panel of doctors has given a report which negates the view that the cause of death was due to consumption of poison.

DECISION : Held that the sum assured of Rs. 5 lakh along with accrued bonus if any be paid to the nominee/claimant.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.03.2279
Smt. N. Saraswathi
Vs

Life Insurance Corporation of India

Award Dated : 06.11.2006

Sri. M.Thandapani (Decd.) took two life Insurance Policies- 741833331 & 741833332 from LIC of India, Madurai city Branch-II under Madurai Division by submitting proposals on 20.10.2000. The policies were issued with Date of Commencement of risk cover as 28.07.2000, for Rs. 50,000/- Sum Assured each. Sri. M.Thandapani who was working as a Trade Man with the state owned Transport Corporation opted to pay his premiums by authorizing his employer to deduct it from his salary. As policies under this scheme were serviced by LIC Thirunagar Branch of Madurai, the employer remitted premiums to that Branch up to due September 2002 with three gaps. The life assured died on 21.12.2002. The Complainant and nominee Smt. T.Dhanalakshmi claimed the death benefits under both the policies. The insurer rejected her claim on the plea that the life assured had taken treatment for Cancer from 14.01.2000 to 17.02.2000 and which information was suppressed in the proposals dated 20.10.2000.

The complainant stated that she was not aware of these policies during her husband's lifetime. She agreed that her husband used to take leave often and for the reason of being sick. The Ombudsman asked her whether she was aware of the eye operation which her husband had undergone for which she replied that she was not aware. She added that as they had no children her husband may not have told her of his illness. The representative of the Insurer stated in the hearing that the policies were in lapsed condition. According to the Claim Form 'B' given by Arvind Hospital, the cause of death

was mentioned as 'Malignancy' and the Life Assured was taking treatment since 16.06.1999 i.e., well before the date of Proposal. As per the reports received from Arvind Hospital, the Life Assured was suffering from Secondary Metastasis to left Orbit and had undergone lateral orbitotomy on 06.08.1999 and also received 6 cycles of Chemotherapy. The life assured had also taken Radiation treatment for Cancer at Meenakshi Mission Hospital and Research Centre, Madurai from 04.01.2000 to 17.02.2000.

There is nexus between the cause of death and illness suppressed. The Insurer has proved with clinching evidence that the life assured had furnished wrong information about his state of health in the proposal and suppressed that he was suffering from Cancer even before proposing for insurance. By withholding information that was very material, the life assured has misguided the insurer in wrongly issuing the policies.

The Complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO(CHN)/21.04.2278/2006-07
Smt.R.Masila
Vs
Life Insurance Corporation of India

Award Dated : 06.11.06

Sri.M.Rajangam had taken an Endowment policy bearing no. 743811003 for Rs.100,000/- and nominated his wife Smt. R.Masila as nominee. He died on 03.07.2005. The Insurer denied the death claim payments on the ground that the assured had suppressed the material facts of his suffering from Urolithiasis with right ureteric vesical junction calculus with ARF, his ischemic heart disease, his consultation with the doctor and the treatment availed three years prior to his proposing for insurance and hence the policy was declared void and hence the complaint preferred with this Forum by the nominee Smt. R.Masila.

On 15.09.2006, a personal hearing of both the parties was held. The complainant was not present. Her letter was read out. In that she said that her husband had taken the policy for income-tax purpose. As the Madurai office had rejected her claim she wanted the Ombudsman to mediate and get her the claim proceeds. The insurer stated that the deceased life assured took a policy in February 2005 by submitting a proposal on 25.02.2005. As the claim was a very early claim, death having taken place within 4 months and 8 days of taking the policy they got a 'Claim Investigation' done by one of their Officials. The Official had noted in his report that the life assured had taken treatment at Meenakshi Mission Hospital and Research Hospital, Madurai. Whereas the life assured in his proposal had not mentioned his illnesses or that he had taken treatment in the hospital.

On a careful study of the representation of the complainant and the case presented by the insurer along with the Forms and certificates of treatment taken by the life assured, it was proved that the life assured had been hospitalized and he was treated for his Calculi and also advised about his heart condition in early 2002 itself. However he had not disclosed his correct health condition in his proposal dated 25.02.2005. By suppressing information that was very essential for the Insurer to assess his risk, the life assured has misled the Insurer in issuing the policy at normal rates. Therefore the repudiation of the complaint's claim for the assured sum and its ancillary benefits by

the Insurer on the ground that the insured had withheld material information regarding his health is sustainable.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.04.2268
Smt. S.Balamani

Vs

Life Insurance Corporation of India

Award Dated : 08.11.2006.

Sri. P.Sakthivel took an Endowment policy bearing No.742683462 for Rs.100000/- from LIC of India, Dindigul Branch (under Madurai Division). The date of commencement was 20.03.2001 with the half-yearly premium being Rs.3969/-. On 20.11.2004 he revived the policy (which was lapsed due to non-payment of the premium due in March 2004) on the strength of a "Personal Statement of Health" which was dated 10.11.2004. The life assured died on 16.01.2005 and Smt.S.Balamani, wife of the LA claimed the death benefit. The Insurer repudiated the claim on the ground that the LA had not disclosed the fact, at the time of revival that he had suffered from Comminuted Lateral Condyle Fracture, that he was a hypertensive and that he had taken treatment at CMC, Vellore for Inferior Wall Myocardial Infarction.

In the hearing the complainant Smt. S.Balamani, said that her husband had died of heart attack. She added that he was not well for 6 months before his death. She also informed that he had met with an accident three years back for which he was operated thrice. She replied that her husband had availed medical leave during 2003& 2004 on doctor's advice and to help during their daughter's delivery. The Insurer informed that they had repudiated the claim as the life assured had not disclosed the treatment taken in various spells at different hospitals, during the pre-revival period, in his "Personal Statement of Health" dated 10.11.2004. However they had offered to pay Rs. 37400/- which was the paid-up value and the bonus thereon.

Keeping in mind the health background of the insured as evidenced from records, the false answers to question 2a),2b) and 2c) and question 4 of the "Personal Statement of Health" signed on 10.11.2004 was a clear case of suppression of "material facts" and the repudiation was justified. There is also a nexus between the cause of death and the illness suppressed. Therefore the decision of LIC of India to pay Rs.37400/- as the paid-up value with the accrued bonus is valid.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.04.2307.

Sri.M.Selvaraj

Vs

Life Insurance Corporation of India

Award Dated : 14.11.2006

Sri. S.Inbaraj, submitted a proposal to LIC of India, Periyakulam Branch under Madurai Division, to get life insurance cover. The policy numbered, 742820583, was for a sum assured of Rs.50000/-, under the Endowment Plan with a term of 16 years. Premiums were deducted from his salary and paid to LIC by his employer. As he was not married he had nominated his father. The life assured died on 15.03.2005. Sri M.Selvaraj, father of the life assured claimed the benefit under the above policy. The Insurer repudiated the claim stating that the life

assured had withheld correct information regarding his health at the time of effecting the assurance with them.

In the hearing as the complainant was absent the Representative of the Insurer was asked to present his case. The Representative informed that the life assured had availed two spells of medical leave. Whereas the nominee had written in his letter that the medical leave was availed for house construction the Insurer had proof that at the time of taking leave the life assured was undergoing treatment in Christian Fellowship Hospital, Oddanchatram. The Representative added that they had repudiated the claim because the proposer while proposing for insurance had not disclosed material facts regarding his ill-health, the treatment taken and the particulars of medical leave availed by him.

On going through the documents it is evident that the life assured was admitted in Christian Fellowship hospital for severe anemia, diarrhea and Urinary Tract Infection. This period of hospitalization coincides with the period of medical leave availed and the illnesses of the life assured tallies with those mentioned in the medical certificate. The doctor with Christian Fellowship Hospital, Oddanchatram, who had signed the Discharge Summary when the life assured got discharged on 12.11.2002 (Date of admission into the hospital is 07.11.2002), had diagnosed the life assured as HIV +ve (by ELISA test) with severe anemia and Urinary Tract Infection.

Thus a careful and dispassionate study of all the evidences available in the case file proved beyond any shred of doubt that there was a clear and deliberate suppression of vital information relating to a very serious ailment the assured suffered from in the pre-proposal period. The decision of the insurer to deny the claim under the policy is held to factually sustainable and this Forum upholds the same.

The complaint is dismissed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.03.2279**

Smt. N.Saraswathi

Vs

Life Insurance Corporation of India

Award Dated : 06.11.2006

Sri. A.K.Natarajan, the deceased life assured was employed as Head Constable in Chithode Police Station. He signed a proposal under non-medical scheme on 23.04.2004, with LIC of India, Erode North branch of Coimbatore Division, to get a life cover for Rs.75000/-. The policy with number 762207711 was under Jeevan Saral with a 12 year term. The life assured died on 11.04.2005 due to "Pancreatitis with Metabolic Encephalopathy". Smt. N. Saraswathi, as the Appointee for the minor nominee-Master N.Sathish Kumar, claimed the money from the Insurer. The Insurer repudiated the claim under the above policy as the life assured had given incorrect answers to question numbers 11a to 11e and 11i in the proposal dated 23.04.2004.

In the hearing on 09.10.2006 the complainant replied that her husband was in good health and he availed leave to look after his children whenever they fell sick. Also his parents were ailing and he used to take leave to take care of them. The Insurer stated that the deceased life assured had availed 31 days of medical leave prior to the date of the proposal for treatment of "Acid Peptic disease" and they had obtained medical opinion from their Divisional Medical Referee, who opined that "it is likely that the life assured had a medical disorder. The Insurer had repudiated the claim for not disclosing the medical leave availed by the life assured before the date of the proposal.

On perusing the documents it is observed that the Insurer was not able to get any valid proof for the life assured having taken treatment for Acid Peptic Disease. According to the complainant in her appeal dated 07.06.2006 her husband used to take medical leave to spend time with his children during vacation time. As no other leave would be sanctioned to police personnel he had to resort to availing medical leave. This seems to be in order as the medical certificates available in the file are for the period from 13.05.2003 to 12.06.2003 and this period falls during school summer vacation. There is no prescription for medicines from a doctor for having treated the life assured to substantiate the Insurer's claim that the life assured was not keeping good health prior to the date of the proposal. It is incumbent on the Insurer to exercise all care to satisfy with clinching documentary evidence that material facts were fraudulently suppressed to avoid a Contract of Insurance.

The complaint is allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.01.2261

Smt. K.Umameswari

Vs

Life Insurance Corporation of India

Award Dated 06.11.2006

Sri. G.Kirubanithi submitted a proposal on 28.10.2003 to LIC of India, Branch-17 under Chennai Division-II and obtained a policy, numbered 716996580, for sum assured of Rs.35000/-. As the premiums for the policy had to be paid from his salary the policy file was transferred to GSSS department of Chennai Division-I. The life assured died on 06.11.2004 at Apollo Hospitals, Chennai due to Kidney failure. Smt.K.Uma Mageswari, the nominee under the policy submitted her claim to the Insurer. The Insurer rejected her claim as the life assured had withheld correct information regarding his health at the time of proposing for insurance.

In the hearing on 20.10.2006 the complainant, Smt.K.Uma Mageswari, stated that her husband used to go to office regularly. She admitted that her husband had Diabetes and that she used to give him insulin injection. Her husband took treatment for Diabetes from Dr.Sekar. In October 2004 he took treatment in Sri Ramachandra Medical Centre as he had exceeded his employer's reimbursement limit for treatment at Apollo Hospitals. The Insurer stated that the life assured had failed to disclose the details of Diabetes Mellitus, Nephropathy, Hypertension and Ischemic Heart Disease with L.V. Dysfunction in the proposal. Dr. K.R.Sekar had also confirmed the existence of Diabetes Mellitus, High BP, Hypothyroidism and Diabetes Nephropathy for 3 years prior to life assured's death. The doctor had treated the life assured for the same. The Insurer said that had the life assured disclosed his illness, their underwriting decision would have been different.

Considering the health background of the insured as discussed above, the false answers to question 11a),11b),11c) 11e) and 11i) in the proposal signed on 28.10.2003 was a clear case of suppression of "material facts" and the repudiation was justified. There is also a nexus between the cause of death and the illness suppressed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.01.2285

Sri. A.Dhananjayan

Vs

Life Insurance Corporation of India

Award Dated : 28.11.2006

Ms.D.Kadambari, when employed in M/s.Slash Support India Pvt. Ltd, obtained a insurance Policy from LIC of India, Branch- XXI of Chennai D.O.-I. She signed a proposal on 11.06.2004 for the same. The policy numbered 713991464 had Sum Assured as Rs.2.5 lakhs. The life assured died on 22.02.2005 at Apollo Hospitals, Chennai due to 50% burns and Septicemia. Sri.A.Dhananjayan, the nominee under the policy submitted his claim to the Insurer. The Insurer rejected the claim as the life assured had suffered from Schizo-effective disorder (mood disorder) and had been hospitalized for treating the same. She had not disclosed any of these in her proposal dated 11.06.2004.

In the hearing on 20.10.2006 the complainant, admitted that his daughter was hospitalized and had taken treatment as she had complaints of sleeplessness. He said that his daughter was highly qualified and since she was in the software profession there was some disturbance in the sleeping pattern. When it was pointed out that his daughter had not revealed the treatment she had undergone, in the proposal, he said that since it was an ordinary treatment, she might not have felt it necessary to mention. The insurer stated that the life assured died within 8 months and 10 days of taking the policy. The life assured had suffered from Schizo effective disorder (mood disorder) before proposing for insurance on 11.06.2004. The relevant details were not disclosed in the proposal form. Had they been disclosed, their underwriting decision would have been different.

On going through the documents it emerges that the life assured had suffered from an illness which is not a passing ailment like cold, cough, fever etc. which could have escaped her memory at the time of proposing for insurance. So her father's contention that it was an ordinary treatment which she might not have felt necessary to mention in the proposal is difficult to accept. Even though there is no nexus between the cause of death and illness suppressed the Insurer has proved with clinching medical evidence that there was material suppression of facts and by suppressing these important information the life assured had deprived the Insurer of a fair chance of having evaluated the risk correctly.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.003.2264.
Smt.B.Manimekala
Vs
TATA AIG Life Insurance Co. Ltd.

Award Dated : 14.12.2006

Sri G.Kameshwaran applied to Tata AIG Life Insurance Co. for a Life Line plan on 22.12.2005. According to the policy issued on 23.12.2005 the Life Assured was entitled to get the refund of premiums on surviving the term and 2 lakhs on death during the term of the policy (4 Lakhs in case of death by accident. Sri G.Kameshwaran died on 03.04.2006 at Apollo Hospitals due to Acute Lymphoblastic Leukemia (ALL) with relapse with Refractory disease. His mother preferred the claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had not revealed in the application for insurance dated 22.12.2005 that he had been under treatment for ALL since 2000 and that he underwent Orchidectomy for relapse in 2003.

In the hearing, on 17.10.2006 the representative of the complainant stated that his son viz. the life assured was working as a Software Engineer at Chennai after completing his B.E. His son approached. Citi Financial for a loan to buy a Car. Since Citi Financial was an agent of Tata AIG they had offered insurance to his son. His son signed the

application for insurance on 22.12.2005. His son had not disclosed his past illness in the application because he was in normal health when he took the policy. The insurer stated that the life assured had not disclosed in his application for insurance dated 22.12.2005 the details of his treatment for Acute Lymphoblastic Leukemia since 2000 and undergoing Orchidectomy in 2003 for relapse. The assured was a Software Engineer and a highly educated person and it was not acceptable that he has just signed the proposal without going through the contents in the proposal. When questioned about Citi Financial and the nature of insurance policy sold by them, he clarified that it was not a group policy or a collateral security policy.

It is therefore clear that the life assured was affected by a serious disease; which could be controlled but not cured. It is therefore difficult to accept the argument of the representative of the complainant that the life assured was normal on the day he signed the application. Perhaps the life assured had no fraudulent intention when he applied for insurance as it was taken at Citi Financials, the financial company he had approached to advance him funds to buy a car. However there is clear medical evidence to show that he was suffering from Leukemia well before signing the application for insurance.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.05.2353
Smt. D.Angu**

Vs

Life Insurance Corporation of India

Award Dated : 22.12.2006

Sri. S. Duraisamy signed a proposal for the Insurance Policy on 27.07.2003, and submitted it to LIC of India, Salem North Branch. He was issued a policy bearing number 701356661 for a SA Rs.30,000/- under Endowment Plan. Sri. S. Duraisamy died at his residence on 02.05.2004, due to Chest Pain. Smt. D. Angu, his wife and nominee under the policy preferred her claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had suppressed the Major Road Traffic Accident met by him in 1995, in which he had sustained severe injuries to his left arm and leg.

In the hearing on 15.11.2006, Smt. D. Angu was not present and her representation was read out. In that letter, she had stated that her husband Mr. Duraisamy had met with an accident on 23.06.1995. Smt. Angu also stated in her letter that her husband was going to his office from 1995 to 2004 regularly and he was healthy. The Insurer stated that as death occurred within 9 months from the date of commencement of the policy they had arranged for an investigation and by that they learnt that during the year 1995 the life assured had met with a major road accident. However, it was not disclosed by the life assured at the time of proposal.

The Insurer had repudiated the claim merely because the life assured had not revealed the accident that had occurred 8 years ago as on the date of the proposal. The Insurer had not produced any evidence to conclusively prove that the accident was causing the life assured medical discomfort and had hastened his death. The Insurer had not produced any prescription to show that the medicines taken for the injuries caused in the accident had reduced the normal life span of the life assured. Thus there was no justification for the insurer to repudiate the claim. Thus their decision to repudiate the claim does not stand the text of ethical and legal scrutiny and the same is untenable in law and as well on facts.

The complaint was allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.003.2430
Smt.M. Navamani
Vs

TATA AIG Life Insurance Co. Ltd.

Award Dated : 22.12.2006

Sri. M. Murugesan signed an application on 06.08.2003 to obtain a Life Insurance Policy-Assure 20 years Security and Growth Plan from Tata AIG Life Insurance Co. The sum assured under the plan was Rs.1 lakh and he paid an amount of Rs.1852/-. The Insurance Company issued a policy on 10.10.2003 with quarterly premium as Rs.1928/-. Sri. M. Murugesan died on 27.07.2004. Smt. M. Navamani, the nominee under the policy, preferred the claim with the Insurer. The Insurer repudiated the claim on the ground that the life assured had been hospitalized and diagnosed to have Carcinoma of Bladder in Sept. 2003, which was before the policy issue date of 10th Oct. 2003.

In the hearing the Insurer stated that though the life assured's application for insurance was dated 06.08.2003, the premium was paid on 28.08.2003. The application was received by them on 29.08.2003. Balance of premium was called for on 30.08.2003. The balance of premium was received on 01.10.2003 and the policy was issued on 10.10.2003. The life assured was hospitalized on 19.09.2003. The assured had noticed blood in urine 2 months back viz. July 2003. The life assured died on 27.07.2004. The life assured had not given correct answers for Question No.4 (h) viz. urine abnormality. After submission of the application and before acceptance of the policy there was change in the health of the life assured which he had not informed to the insurer.

A perusal of relevant documents reveal that policy issue was delayed due to non-receipt of extra premium charged by them for the life assured's occupation (Whereas in the application itself the life assured had mentioned his occupation). Also there is no clear guidelines for LA to inform the insurer changes in health condition, before policy is issued. The life assured was only a mason (application is in English and he had signed in Tamil). The insurer had not obtained medical evidence to substantiate their stand. However, the fact cannot be ignored that the assured had not mentioned the bladder disorder that he was suffering or the diagnostics test that he had undergone about which there are specific questions in the application for insurance. As such, this Forum decides that an amount equal to 20% of basis sum under the policy i.e. an amount of Rs.20,000/- be made available to the complainant as full and final settlement of the claim under the policy on an ex-gratia basis.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.02.2306
Sri. Munusamy Reddiar
Vs

Life Insurance Corporation of India

Award Dated : 20.12.2006

Smt. M. Sarasammal obtained policy bearing number 716 240 071 under T-133 (Jeevan Mitra-Triple Cover- According to this plan the maturity benefit is basic Sum Assured with Bonus and the death benefit is three times the Sum Assured plus Bonus) for a sum assured of Rs.25000/- with a monthly premium of Rs.123/- from LIC of India, Villivakkam Branch under Chennai DO-II by submitting a proposal on 13.06.2000. In the proposal she had mentioned that she was working as an helper to mason. Smt. M. Sarasammal died on 31.05.2004. Her husband and the nominee Sri Munusamy Reddiar

preferred a claim with the Insurer. The Insurer settled basic sum assured and the accrued bonus, as the life assured was not eligible for this high risk plan (T-133). Sri. Munusamy Reddiar's appeal to the Zonal Office of the Insurer, fetched him enhanced Sum Assured for the extra premium paid for T-133.

In the hearing on 14.11.2006 the representative of the complainant stated that the agent, who had sold this policy to his mother, had sold it to nearly 13 or 14 people which included a few ladies as well. He argued that if it was the mistake of the agent, then the office also had allowed that plan to his mother. As there was no suppression of any material fact, the non-payment of full amount of claim was not correct. The Insurer stated that in underwriting the female lives were classified into three categories based on their source of income and level of economic independence. In that classification, the Life Assured was classified under category III and this plan could not have been given to her. It was a genuine mistake. He said that the parties to the agreement were not entitled to get the benefits of apparent mistakes.

A scrutiny of the papers reveals that the policy was in force, the life assured had not suppressed her occupation, she had paid 48 monthly premiums and

The Insurer has not brought any evidence to show that the life assured had willfully suppressed material facts with a fraudulent intention to gain out of the contract.

The Complaint is allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2384
Smt. E.Selvam

Vs

Life Insurance Corporation of India

Award Dated : 22.12.2006

Sri A.Elayappan submitted a proposal on 12.03.2004 to LIC of India, Kallakurichi Branch under Vellore Division to obtain the policy bearing number 733457151 under Table -143 (Bima Nivesh Triple Cover Plan) for Rs.3 Lakhs (Death Benefit would be 9 Lakhs) after paying single premium of Rs.284034/-. Sri A.Elayappan died on 20.04.2004, due to heart attack. Smt.E.Selvam, the nominee under the policy preferred the claim with the Insurer. The Insurer rejected the claim on the grounds that the life assured had withheld correct information regarding his health at the time of effecting the assurance. Smt.E.Selvam, represented to the Zonal Manager of the Insurer, who offered Rs.3 Lakhs as ex-gratia.

In the hearing on 28.11.2006 Sri E. Jeyakarthic, son of the complainant, said his father Sri A.Elayappan had complained of chest pain and initially thought that it was due to gastric problem. Since the pain grew, he had called him and he in turn instructed him to come to Chennai for treatment. When his father was about to start to Chennai he collapsed in the toilet due to heart attack. His father had paid a Single Premium of Rs.284034/- for the Bima Nivesh Triple Cover plan (Table 143) and the Date of commencement of the policy was 12.03.2004. His father died due to massive heart attack on 20.04.2004. His father had undergone Master Check up twice – once in the year 2001 at Vijaya Hospitals, Chennai and again in the year 2003 at Apollo Hospitals, Chennai. On 28th April 2005 LIC had repudiated the claim in full including the lump sum premium paid and the reasons stated were his father had suffered from Cervical Spondylosis and Pruritus with old fracture of right clavicle and the information had been withheld in the proposal. After a painful follow up for 283 days with personal visits, LIC sent a communication that the decision has been reconsidered and prepared

to pay an ex-gratia of 3 Lakhs. In the hearing the Insurer stated that it was a Triple Cover Policy for Rs.3 Lakhs Sum Assured. Rs.2,84,034/- had been received as Single premium. The policy had run for 1 month and few days. On going through the previous medical check ups, they found that the assured had health problem prior to proposing for this policy. They had carefully examined the facts of the case before deciding on ex-gratia payment of Rs.3 Lakhs.

Beyond the two Health Check-up reports (which were given by the claimant herself) the insurer had no medical evidence to conclusively prove that the assured was ailing from some serious ailment for which he undertook treatment and further that the ailment was of such a serious nature as to affect their underwriting decision. The insurer failed to prove with any clear-cut evidence that the assured suppressed material information, with a fraudulent intention.

The Complaint is allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2357

Sri.T.V.Renu

Vs

Life Insurance Corporation of India

Award Dated : 26.12.2006

Smt.D.Aiyammal submitted three proposals in August 2004 to LIC of India Cheyyar Branch under Vellore Division to obtain three policies under 'Bima Plus' Plan. The amount payable as death benefits under the plan will be the bid value of the policyholder's unit account as on the date of death together with an amount equal to full SA or a portion depending on duration run by the policy. The life assured died on 30.07.2005 that is within 11 months and 18 days. Sri T.V.Renu, as the Appointee for the minor nominee approached the Insurer for death claim. The Insurer paid the bid value of the policyholder's unit account as on the date of death, but rejected to pay the 60% of Sum Assured, on the grounds that the life assured had withheld correct information regarding her health at the time of effecting insurance.

In the hearing on 28.11.2006 as the representative of the complainant was not present for the hearing one of the officials read out the letter dated 02.11.2006. He had stated in his letter that the life assured had taken 3 Bima Plus Single Premium Policies with Life Cover. She died on 30.7.2005 within 11 months after the commencement of the policy. The complainant received cheques for the Market Value of the shares under all the 3 policies and asked for clarification pertaining to the policy which states that in case of Death of the life assured, the nominee/heirs would get 60% of the Sum assured and the Bid value of the policy holder's unit account as on the date of death. The insurer stated that in this policy one portion of the premium covered life and rest of the amount was invested in UNIT linked business which would be invested in the share market and the benefit returned to the policy holders. However the Insurer stated that the Life assured submitted the proposal forms during the month of August 04 and in those forms the Life Assured had not mentioned about her treatment for AIDS. The representative of the complainant had stated in the claim form that the claimant died due to stomach pain but after investigation they had found out that the life assured had been diagnosed to be HIV positive prior to the proposal.

A careful consideration and scrutiny of all the available evidence, establish that the Insurer had beyond doubt proved that the assured was indeed suffering from AIDS at

the time of taking the policies. In the result, the complaint fails and the complaint is thus disposed off on merits as aforesaid.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2369
Smt.S.Saratha

Vs

Life Insurance Corporation of India

Award Dated : 29.12.2006

Sri N. Singaravadivelu took a Jeevan Suraksha Policy (Pension Policy) from LIC of India, Panruti Branch, under Vellore Division, by submitting a proposal for the insurance on 03.03.2001. Sri N. Singaravadivelu died on 19.09.2001. Smt. S. Saratha, his wife and the nominee, preferred her claim with the Insurer on 20.07.2003. The Insurer rejected the claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting the insurance.

In the hearing on 28.11.2006, the complainant stated that her husband was quite healthy. The last posting had been stressful and he used to complain of tiredness and headache. He used to bring files home. When questioned as to why they preferred the claim very late, she said that their only son was trying to get employment in TNEB on compassionate grounds. Dr.Nayab who was a good friend of her husband had given Claim Form B which the insurer had lost. Again the Insurer had obtained a Claim form B from the same Doctor. The information given in the two forms were contradictory. The insurer stated that the risk under the Jeevan Suraksha policy with life cover commenced on 09.03.2001 under medical scheme with death benefit payable as 50% of the targeted pension. The policy had run for hardly 6 months. As per the Claim Form B given by Dr.Nayab he had treated the life assured since 1999-2001 for Hypertension and Diabetes and this he confirmed vide his letter dated 07.07.2004.

It is evident that the life assured was diabetic and hypertensive before proposing. However the insurer had relied on mere claim forms to repudiate the claim. Equity and natural justice call for consideration of the case keeping both the parties in mind and, the Insurer was, therefore, directed to pay the complainant an amount of Rs. 15,000/- under the policy in full and final settlement of the claim.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2385
Smt.T.Ambika

Vs

Life Insurance Corporation of India

Award Dated : 11.01.2007

Smt. Kolanjammal submitted a proposal on 31.03.93 to LIC of India, Vriddachalam Branch to Policy bearing number 730214360. The policy was for a sum assured of Rs.25000/- with a quarterly premium of Rs.385/- . Age proof submitted by her was horoscope. Smt. P. Kolanjammal died on 18.08.2005. Smt. Ambika, the nominee under the policy submitted her claim papers to the Insurer. The Insurer repudiated the claim on the grounds that the life assured had with held material information regarding her age at the time of effecting the assurance with them.

In the hearing the representative of the complainant, stated that his brother had taken a policy on the life of their mother and nominated his wife viz. Smt.T.Ambika. His brother died in an accident in March 2005 and subsequently his mother also died in August 2005. He was told that the claim under the policy was repudiated since there was understatement of age of his mother in the proposal. He said that probably by mistake there might be some difference. The Insurer stated that they came to know that Smt.Kolanjammal was the mother of the agent Sri.Thirumoorthy at the time of processing the claim. Sri.Thirumoorthy had stated the age of his mother (nominee) in the proposal of his own life on the same date viz.31.03.1993 as "60" years and in the proposal on his mother's life he has falsely stated her age as 48 years. In the Death Certificate her age was mentioned as 73 (at the time of death). Had the correct age been mentioned, they would not have considered issuing an Endowment policy on her life. The policy was revived on 3 occasions. In all the occasions Sri.Thirumoorthy had witnessed the declarations fraudulently without revealing the correct age or his relationship to the life assured.

The relevant points are that 12 years premiums were received, the agent who committed this error is dead and the Policy was issued after a medical examination. The life assured can not be absolved of her responsibility as she has signed the proposal form (Here, it is worthwhile to note the general principle that a party of full age and understanding is normally bound by his signature to a document whether he reads it, understands it or not.). Equity and natural justice call for consideration of the case keeping both the parties in mind and that both are taken care equitably and, as such, this forum decides that the claim be considered on an ex-gratia basis and the Insurer is, therefore, directed to pay the complainant an amount of Rs. 15,000/- under the policy in full and final settlement of the claim.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2338
Smt.R.Kalvikkarasi

Vs

Life Insurance Corporation of India

Award Dated : 12.01.2007

Sri. R. Raju submitted a proposal on 8.03.2000 to LIC of India, Tirukoilur Branch under Vellore Division and obtained a policy bearing number 731259048 for a Sum Assured of Rs.50000/- under Jeevan Mitra Triple Cover. He paid the quarterly premium amount of Rs.723/-, till due Jan 2003. There after the policy lapsed due to non-payment of premiums. Sri. R. Raju revived the policy on 13.12.2003 by submitting a "Personal Statement of Good Health" and a Medical Report from a doctor in the pane1 of the Insurer. Sri. R. Raju died due to HIV/pleural effusion (RT) /Respiratory Failure, on 31.03.2004 at Government Hospital of Thoracic Medicine Tambaram, Chennai. Smt. R. Kalvikkarassi his wife and nominee preferred her claim for the full benefits with the Insurer. The Insurer rejected her claim for full amount on the grounds that the life assured had revived the policy on 13.12.2003, by misrepresenting the real state of his health.

In the hearing on 15.11.2006 the complainant stated that her husband took a policy in 2000. He was healthy at the time of taking policy and he was paying premiums regularly. In the year 2003 he revived the policy after taking a loan. When questioned as to when he was first detected as HIV positive, she admitted that he was diagnosed as HIV + in the year 2001. The Insurer stated that the life assured had taken the policy

in January 2000. The policy was revived on 13.12.2003 on the strength of a "Declaration of Good Health" dated 13.12.2003 and with 3 quarterly premiums. The revival was void since he was detected to be HIV positive in January 2001 itself. They have obtained a letter from the Tambaram Hospital regarding the period of in-patient treatment undergone by the life assured in the hospital.

The Insurer had obtained clinching evidence to prove that the life assured was affected by HIV and aware of the fact in the year 2001 itself. The declaration made by the life assured on 13.12.2003 regarding his health was incorrect. There was also a nexus between the cause of death and the illness suppressed.

The complaint is dismissed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2366**

Smt. Dhanam

Vs

Life Insurance Corporation of India

Award Dated : 18.01.2007

Sri. C.Settu submitted a proposal on 23.01.1999 to LIC of India, Tiruvanmalai Branch under Vellore Division and obtained a policy bearing number 731118021 for a Sum Assured of Rs.59000/- under Endowment Plan. The policy lapsed due to non-payment of premiums after July 2000. Sri. C.Settu revived the policy on 20.05.2003 by submitting a "Personal Statement of Good Health" of even date and by paying the revival amount by cheque. The cheque was dishonored and the policy lapsed. Subsequently he revived the policy again by submitting a "Personal Statement of Good Health" on 18.07.2003. Sri. C.Settu died due to Myocardial Infarction on 05.09.2003. Smt. Dhanam, his wife and nominee preferred her claim for the death benefit with the Insurer. The Insurer, rejected her claim on the grounds that the life assured had withheld correct information regarding his health at the time of revival.

In the hearing on 28.11.2006 the complainant stated that her husband was quite healthy. Sometimes he used to complain of chest pain and used to take tablets. One day after he came back from work he complained of chest pain and died. When questioned whether they knew Dr.Ramana Rao of Grace and Compassion Hospital at Tiruvannamalai, she said that she knew the hospital but not the Doctor. The insurer stated that the policy lapsed and was revived on 18.07.2003 on the strength of Declaration of Good Health of even date. The cheque paid towards renewal was however dishonoured for the reason "insufficient funds". The premium was paid in cash the second time along with DGH dated 18.07.2003. The life assured had taken treatment on 15.07.2003 at Grace and Compassion Hospital which he had not mentioned in the DGH dated 18.07.2003.

Therefore the Insurer has established beyond doubt that on 18.07.2003 the life assured had furnished incorrect information in his "Personal Statement of Health". The life assured was very well aware of the gravity of his health condition as the doctors in Grace & Compassion Hospital had advised him to avail treatment at JIPMER, Pondicherry as "his condition was not satisfactory".

The complaint is dismissed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2311**

Smt. R.Mariammal

Vs
Life Insurance Corporation of India

Award Dated : 18.01.2007

Sri M.Ramar Pillai submitted a proposal on 19.02.1998 to LIC of India, Sankarankoil Branch under Tirunelveli Division and obtained a policy bearing number 320577169, for a Sum Assured of Rs.100000/-. He paid the premiums due till August 2001, after which he could not pay two dues. He revived the policy on 07.12.2002 under the Insurer's 'Special Revival Campaign. Sri M.Ramar Pillai died on 06.12.2005. Smt.R.Mariamammal, his wife and nominee under the policy preferred the claim with the Insurer. The Insurer rejected the claim on the grounds that the life assured had withheld correct information regarding his health in the "Personal Statement of Health" submitted at the time of reviving the policy on 07.12.2002.

In the hearing on 05.12.2006 the complainant mentioned that Sri M.Ramar Pillai was quite healthy when he had first taken the policy. In the year 2000, after an accident he was diagnosed as diabetic. His leg was amputated. He applied to the Insurer for his disability claim on 25.10.2000. He visited the LIC office and revived the policy in 2002. In 2005 his other leg too was amputated, and this was also informed to the Insurer.

The Insurer stated that the policy was in a lapsed condition from February 2002 and the policy was considered for revival based on the life assured's declaration of good health. However the life assured had undergone treatment at Balu Hospital, Madurai, before revival which the life assured had not mentioned in his "Declaration of Good Health".

The Insurer had been informed of the life assured's diabetic condition and the amputation of leg and the proof of it was also available with the Insurer in their records. The physical disability was very much evident and it was not correct to penalize the poor life assured who was very nearly illiterate.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2301
Sri.T. Thangasundaram
Vs

Life Insurance Corporation of India

Award Dated : 22.01.2007

Sri.T.Thangapandi, aged 57 years proposed for insurance on his life at Srivaikuntam Branch of LIC of India on 25.05.2005 and nominated his son, Sri.T.Thangasundaram. Policy bearing number 321718501 was issued under the Endowment Plan for a term of 13 years. On 13.06.2005, Sri.T.Thangapandi died at his residence due to stomach pain. Sri.T.Thangasundaram preferred the death claim with the Insurer. The Insurer repudiated the claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting the insurance.

In the hearing on 05.12.2006 the complainant, stated that his father was an agricultural labourer and had taken a policy one month before his death. The forum put forth the fact that the claim was repudiated on the grounds that the life assured had taken the policy by concealing the fact that he was suffering from cancer and the life assured had died 17 days from the date of commencement of the policy. The complainant intervened and mentioned that the life assured had undergone treatment, but was not aware that the treatment was for cancer. The insurer stated that the life assured had taken treatment with Dr. Karmegaraj at Nazareth on 03.01.2005(pre-proposal).

Subsequently he was referred to Tirunelveli Medical College Hospital and the relevant records were available in the file. The Claim had risen in just 17 days from the Date of Commencement of the policy.

In the Government Hospital, the life assured was treated in 'Cancer OP'. It is therefore evident that the life assured was experiencing severe discomfort and also aware of availing treatment for Cancer. In this context it is difficult to accept the complainant's contention that the life assured was not aware that his disease was cancer. The Insurer had proved with documentary evidence that the life assured was diagnosed as afflicted by cancer in throat in January 2005 itself. The Forum does not find any reason to interfere with the Insurer's decision.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2327
Smt. D.Arulmani
Vs

Life Insurance Corporation of India

Award Dated : 22.01.2007

On 12.12.2001 Smt.I.Jebaselvi, a beedi roller, proposed for insurance on her own life to Cheranmahadevi Branch of LIC of India. The Insurer issued her a policy numbered 320970021 for a sum assured of Rs. 25000/- under their Marriage Endowment Plan for a 20 years term. She had nominated her minor daughter and named her mother as the 'Appointee'. Smt.I.Jebaselvi lapsed and then revived the policy on 09.12.2004 by submitting a "Personal Statement of Health" dated 07.12.2004. The life assured died on 28.08.2005. Smt. D. Arulmani, the mother of the life assured preferred the death claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had given false answers in the "Personal Statement of Health" submitted by her on 07.12.2004 for reviving the policy.

To the hearing on 05.12.2006 the complainant was accompanied by her daughter. The sister said that the death was due to Asthma and TB. The assured was taking treatment as outpatient and she was not hospitalized. The Insurer informed that the policy was in lapsed condition from March 2004 and the policy was considered for revival on the strength of DGH. He added that Dr Rajapandian has given a letter stating that the assured was availing treatment for TB for 1 year as outpatient prior to revival.

On a careful and dispassionate study of the entire case file, the Forum concluded that the life assured was not well at the time of revival but the medical examiner of the insurer had not noted anything adverse in her on 07.12.004. Also the Insurer should have exercised more care while reviving the policy in view of her occupation. Therefore the Forum found that the repudiation of the complainant's claim by the insurer in its entirety was not justified and that an amount equal to Rs.15000/- be allowed to the complainant as an ex-gratia payment.

The complaint is partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2408
Smt. R.Jeyamary
Vs

Life Insurance Corporation of India

Award Dated : 22.01.2007

Sri. R.Rajendran submitted a proposal for Life Insurance on his life on 27.01.2003 to LIC of India, Career Agents Branch of Tirunelveli Division. Along with the proposal he submitted a medical report of even date from the Insurer's panel doctor. The Insurer issued him a policy numbered 321328517 under their Endowment Plan for a SA of One lakh. Sri. R.Rajendran died on 5.12.2005 due to Cardiac Pulmonary Arrest. His nominee, Smt. R.Jeyamary preferred the death claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had suppressed material information, regarding his health at the time of proposing for his insurance. Unhappy with the Insurer's decision Smt. R. Jeyamary represented to this Forum and agreed to have the Ombudsman as a mediator.

In the hearing the Complainant told the Forum that her husband went to Hospital to take treatment for the sore in the knee. To the question why her husband had availed long leave the Complainant replied that he availed leave as it was in excess and he was due to retire. The Insurer presented the case and briefed the reason for repudiation. Investigation report stated that the life assured was a Diabetic patient for more than 20 years and this was not disclosed in the proposal form.

On perusing the relevant documents, it was evident that the Insurer had issued the policy after medically examining the life assured. Also the Insurer had repudiated the claim based on their Claim Investigating Officer's Report and the Krishna Maternity Home and Pediatric Centre's case sheet. This case sheet can not be accepted as a conclusive evidence as the patient had been unconscious at the time of admission and the veracity of the recordings in the case sheet have no corroborative proof. It would be difficult to concur with the Insurer's decision to repudiate the claim for suppression of material fact, merely based on the case sheet of the hospital to which the LA was taken in an unconscious state and from where he never recovered.

The Complaint is Allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.04.2407
Smt. M.Rajeswari
Vs
Life Insurance Corporation of India

Award Dated : 22.01.2007

Sri.S.Mariappan who was working as an Attender in a Co-Op Bank, submitted a proposal on 19.02.2005 to LIC of India, City Branch-IV of Madurai Division and obtained a Policy numbered 743634688. The policy was for a sum assured of Rs.150000/- with a yearly premium of Rs.9043/- . Sri.S.Mariappan died on 21.04.2005. Smt. M.Rajeswari, the nominee under the policy submitted her claim papers to the Insurer. The Insurer repudiated the claim on the grounds that the life assured had withheld correct information regarding his health.

In the hearing the complainant told that her husband was in good health and he availed leave only to go on tours and not for taking any treatment. She added that he was not actually suffering from any ulcer nor was he taking any treatment for that. The Insurer briefed the case and pointed out that the assured had not mentioned in his proposal about the several spells of leave on medical grounds availed by him and thus deprived them of a fair chance of scrutiny. The Forum informed that a claim should not be repudiated only on the basis of medical certificate. The Insurer said that the assured had been producing medical certificates from 2001 stating the same reason i.e. Ulcer and also the medical certificates produced by the assured were not from the same doctor.

All the spells of medical leave have been for the same reason-“Acid Peptic Disease”. However no further details such as diagnostic tests done, and the exact medicines prescribed etc were available. The insurer was also not able to produce any such details. It is worth observing here that it is not uncommon among employees to avail leave on medical grounds even for attending to personal work. However, the fact cannot also be ignored that the assured did not mention in the proposal the medical leave availed by him, about which there is a specific question in the proposal. The same disease is mentioned in all the medical certificates even though the doctors who signed them are different. The life assured was working in a Co-operative Bank where it may not be possible to avail leave unless there is a genuine need measure. As such, this Forum decided that an amount of Rs.15000/- be made available to the complainant on an ex-gratia basis.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2391
Smt. Amali Asha Chitra

Vs

Life Insurance Corporation of India

Award Dated : 25.01.2007

Sri Arockia Selvam submitted a proposal for Life Insurance on his life on 20.9.1999 to Nagercoil City Branch of LIC of India. The Insurer issued him a policy for a Sum Assured of Rs. 1 lakh bearing number 320678764 under Jeevan Mitra Plan. He revived the policy twice- once on 04.09.2001 and once on 14.12.2002. The LA submitted a “Personal Statement of Health” dated 13.12.2002. On 05.08.2004 Sri. G. Arockia Selvam committed suicide by hanging. Smt. Amali Asha Chitra his wife and nominee preferred the claim with the insurer. The Insurer rejected her claim on the grounds that the life assured had made deliberated misstatements and withheld material information regarding his health at the time of reviving his policy.

In the hearing, the complainant reported that the assured, a constable with BSF disliked working in the border area and often used to avail leave to be with the family. The Forum enquired about the deceased’s health and behavioral patterns, details of treatment that he had undergone and grounds of termination of his services from BSF. The insurer informed that the death was due to suicide. The policy was revived twice- in March 2001 & September 2002 on the basis of “Declaration of Good Health. The treatment taken for mental depression before the date of revival was not disclosed by the deceased.

From the available documents it is evident that the life assured was suffering from mental illness from the year 2000 and was not keeping good mental health. By suppressing this important and material fact in his “Personal Statement of Health” the life assured had misguided the Insurer in reviving the policy on existing rates. Had the Insurer been aware of the LA’s mental condition then their underwriting decision would have been different and they perhaps may not have accepted to revive at all. Also the cause of death is suicide. There is a definite nexus between the illness suppressed and cause of death. Thus the life assured by misrepresenting his real state of health deprived the Insurer a fair chance of correctly appraising the risk.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.04.2344

**Smt. S.Pappa
Vs
Life Insurance Corporation of India**

Award Dated 25.01.2007

Sri. S. Sakkarai raja submitted a proposal for life Insurance on 06.10.2001 to Sivakasi Branch of LIC of India. The Insurer issued him a policy bearing number 742831251 under their Endowment Plan for a Sum Assured of Rs. 25000/-. He revived the lapsed policy on 19.05.2003 by submitting a "Personal Statement of Health" of even date. Sri. S. Sakkarai Raja died on 24.05.2003. Smt. S. Pappa his wife and nominee under the policy preferred her claim with the Insurer. The Insurer rejected her claim on the ground that the life assured had revived the policy on 19.05.2003 by submitting false answers to the relevant questions in the "Personal Statement of Health".

In the hearing, the representative of the Insurer explained the policy details. The policy was an Endowment plan and resulted in Death claim on 24.05.2003. The policy had run for 1 year 7 months and 16 days. He added that the policy was revived on 19.05.2003 and the claim arose within 5 days from the date of revival. Even prior to revival, the life assured underwent chemotherapy at Government Rajaji Hospital, Madurai, for Hodgkin Lymphoma. He further added that the life assured was admitted in Hospital for treatment on 15.04.2003 and was discharged on the next day i.e. 16.04.2003. The policy was revived on 19.05.2003 and the assured was actually on treatment while reviving the policy. The claimant came late and the Forum gave her an opportunity to be heard. The claimant explained that her husband had a painful lump in the neck, a week before death. He was going to work even at that time. The claimant confirmed this fact that her husband took treatment at Madurai for 2 days. She said that they were not aware that such details should have been mentioned in the form when the policy was revived.

On perusing the above documents it is evident that the life assured was not keeping good health at the time of reviving the policy. According to the case sheet of Government Rajaji Hospital, Madurai where he had been admitted from 15.04.03 to 16.04.03 the life assured had been described as "Patient is a known case of Hodgkin Lymphoma, now admitted for IV cycle of Chemotherapy". Thus by suppressing the true state of his health the life assured had misguided the Insurer in wrongly reviving the policy.

The complaint is dismissed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.01.2417
Smt. Vjyayanthimala
Vs**

Life Insurance Corporation of India

Award Dated 29.01.2007

Sri A.V.Mohan took a Endowment Policy from LIC of India, City Branch XIX, under Chennai Division-I, by submitting a proposal for the insurance on 28.03.2004. Sri A.V.Mohan died on 20.11.2004. Smt. Vjyayanthimala, his wife and the nominee, preferred her claim with the Insurer. The Insurer rejected the claim on the grounds that the life assured had suppressed that he was suffering from Diabetes and Umbilical Hernia.

In the hearing, the complainant stated that her husband had one day slipped and accidentally fallen down on the other side of the staircase, on the road. He was bleeding from the leg and head. He was admitted to A.G. Hospitals first and they advised him to be admitted to Sri Ramachandra Medical College Hospitals, Chennai. Since he had multiple problems due to the fall he died due to heart attack on 20.11.2004. She only knew that he had Umbilical Hernia. The insurer stated that the life assured died within 7 months and 22 days from the DOC of policy. As per the Discharge Summary of Sri Ramachandra Medical College Hospitals, Chennai the life assured died due to Severe Sepsis, DM Type II and Pulmonary Embolism. Dr.M.Chandrasekar of A.G.Hospitals, had stated in Discharge Summary that the assured had a fall from height was treated for fever of 4 days and was diagnosed for Umbilical Hernia, Bilateral Hydrocele, Inguinal Hernia and Renal Azotemia --known DM not on any treatment. All these illnesses were not mentioned in the proposal form.

Thus it is evident that the Insurer had repudiated the claim based on documents relating to a period after the proposal date. The Insurers, in this case, failed to conclusively prove with the aid of clinching documentary evidence that there was material suppression by the assured to render the contract of insurance voidable. However in view of the fact that there was suppression of Diabetes, Hernia and Hydrocele by the assured in his proposal and the ailment 'Diabetes' has serious connotations when it comes to the underwriting consideration of the insurer, this Forum decides that an amount equal to Rs.12000/- be given to the complainant in full and final settlement of the claim on ex-gratia basis.

The complaint is partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.05.2406
Smt.R.Palaniammal
Vs
Life Insurance Corporation of India

Award Dated 29.01.2007

Sri. P.Ramakrishnan was a Mazdoor in a Co-Operative Sugar Mill when he submitted a proposal for Life Insurance on his life on 31.03.2004 to LIC of India, Harur Branch of Salem Division. The Insurer issued him a policy numbered 701718657 under their Endowment Plan for a SA of Rs.50000/-. Sri. P.Ramakrishnan died on 26.10.2004. His nominee, Smt. R.Palaniammal preferred the death claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had withheld correct information, regarding his health at the time of proposing for his insurance.

In the hearing the complainant's brother Sri Senthil M represented her. He stated that the LA took policies for the sake of collateral security for the home loan he sought from Dewan Housing Finance Ltd. He was suffering from stomach pain on and off. Normally anybody would not immediately suspect serious illness and would try to take medicines so that the pain would subside. Since the pain was persistent they had admitted him to Stanley Hospital on 28.04.2004 and later he was again admitted to Stanley Hospital on 26.08.2004 for stomach pain. The insurer stated the claim under policy no.701718657 was repudiated based on the non-disclosure of details of his stomach pain in the proposal (for 3 months as per the Discharge Summary of the Stanley Hospital).

A perusal of the above documents reveal that the life assured had been suffering from stomach pain, prior to the date of proposal. Regarding the actual diagnosis of the symptom as Tuberculosis was done only in September 2004- after issue of the policy.

Stomach pain is a symptom and not a disease. It is plausible that the life assured had not given much credence to his 'stomach pain' on the day he had proposed for insurance. Had the Insurer obtained details of treatment or medical prescription to establish severity and frequency of stomach pain then their repudiation would have been in order.

The Complaint is allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.05.2432
Smt.E.Malarvizhi

Vs

Life Insurance Corporation of India

Award Dated 29.01.2007

Sri. M.Eraniyan (Decd.) obtained an insurance policy with number 701749294 for Rs.50000/- from LIC of India, Rasipuram Branch under Salem Division after submitting a proposal on 06.03.2003. The policy was under T-75 (Money Back Plan) with a term of 20 years. The life assured died on 18.01.2004. The cause of death was heart attack. When Smt.E.Malarvizhi, the complainant and nominee under the above policy submitted the claim, the Insurer informed her that nothing was payable under the above policy as the life assured had withheld correct information regarding his health at the time of effecting insurance with them.

In the hearing the complainant Smt.E.Malarvizhi stated that her husband owned a lorry and he was earning through that business even before their marriage. Her husband often used to complain about his headache and fever. All of his complaints were related to headache and that too due to cold weather. His death was sudden and she requested for considering her claim. The Insurer stated the claim arose within 10 months from inception and they therefore arranged for an investigation. As per the Investigating Official who had obtained the medical prescriptions, the life assured was not well at the time of proposing for the policy. He had taken treatment from a Neuro Surgeon who had also suggested for MRI Scan during the year 2000 which makes it clear that the life assured was aware of his illness in the year 2000 itself.

A perusal of the relevant documents made it clear that the life assured was not in good health even while proposing for insurance. Had he revealed that he was frequently afflicted by breathing problem the Insurer would have called for relevant medical reports before insuring his life. Thus by suppressing his real state of health the life assured had misguided the Insurer in assessing the risk.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.006.2420
Smt.V.Kousalya

Vs

Birla Sun Life Insurance Mumbai

Award Dated 29.01.2007

Sri. C.G.Varadharajan, aged 64 years, submitted to Birla Sun Life Insurance, Mumbai an application on 14.10.2005 and was issued a policy of "Flexi Save Plus-To Age" on 08.11.2005. He had to pay for 16 years a quarterly premium of Rs. 28170/- to get 'Coverage Face Amount' of Rs.250000/-. Sri. C.G.Varadharajan died on 04.06.2006 at

KTVR Group Hospital due to "Hepatocellular Failure". Smt. V.Kousalya, the nominee under the policy preferred her claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had not revealed that he had suffered from Pulmonary TB with Haemoptysis in the application for insurance dated 17.10.2005.

The complainant Smt. V.Kousalya was not present for the hearing. One of the Forum Officials read out the contents of the complainant's appeal. The complainant's main contention was the way she was treated at the time of investigation, conducted by the Insurer. She also has agreed in her letter that her husband had TB, was under medication, and as TB is a curable disease, her husband would not have disclosed the same in the proposal form. The insurer mentioned the details of the policy such as the date of proposal (14.10.2005), the commencement of the policy (8.11.2005). The life assured died on 04.06.2006. On the submission of the claim papers they observed that his death was due to Hepatocellular failure. Since, it was an early claim they arranged for an investigation. As per the discharge record of KTV Medical Foundations Pvt. Ltd., where it was clearly stated that the policyholder was a case of Cirrhosis of liver, DM, Old Pulmonary Tuberculosis with Haemoptysis. The life assured replied negatively to the concerned question in the proposal form.

It was therefore evident that the life assured had not mentioned that he had suffered from Tuberculosis to the question-3 b) "Have you ever had or sought advice for the following: 'Asthma, chronic cough, pneumonia shortness of breath, T.B., or any other respiratory or lung disorders?'" in the application for insurance. Had he disclosed this vital information the Insurer would have called for relevant medical reports and would have accepted at terms different from the present one. By not revealing the exact state of his health the life assured had deprived the Insurer of correctly assessing the risk.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2498
Smt.P.Latha
Vs

Life Insurance Corporation of India

Award Dated 29.01.2007

Sri.S.Ponmuthu submitted a proposal for insurance on his life on 31.01.1992 at Villupuram Branch of LIC of India. The Insurer issued him a policy for Rs.50000/- under Jeevan Mitra Plan. The policy was allowed to lapse due to non-payment of premium and then revived on 01.03.1995, 28.02.1996, 03.03.1997, 24.02.1998 and lastly on 14.12.2004 on the strength of a "Personal Statement of Health". Sri.S.Ponmuthu died on 19.06.2005. Smt.P.Latha, his wife and the nominee preferred the death claim with the Insurer. The Insurer repudiated to settle the full claim on the grounds that the life assured had got his policy revived on 14.12.2004 without informing them about his "Nephrotic Syndrome and Hypertension. However the Insurer offered to pay the paid up value and bonus that the policy had acquired before it had lapsed.

In the hearing the Insurer submitted the various documents on which they had relied upon to set aside the revival done on 14.12.2004. The complainant, Smt.P.Latha, agreed that her husband had undergone nephrectomy in 2000 but she said that they were not aware that they should disclose all the treatment particulars in the "Personal Statement of Health". The Forum explained to the complainant the concept of insurance. It was explained that the Contract of Insurance is a contract of utmost good faith and it was essential that the life to be insured -in this case the life assured, who

alone knew his health condition, should inform the Insurer the real state of his health to enable the Insurer to correctly assess the risk.

The complainant was convinced about the need to disclose all the relevant changes in health conditions to the Insurer at the time of reviving the policy and agreed to accept the paid up value and bonus as the claim amount. The Insurer expressed their willingness to settle the agreed amount.

It was therefore recommended that the Insurer shall obtain consent from the complainant and settle the paid up value with bonus as the full and final settlement of the claim, as agreed by the complainant.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.009.2464
Smt.P.Nirmala
Vs
Bajaj Allianz Life Insurance Co.

Award Dated : 12.02.2007

Sri.R.Paramasivam signed on 20.05.2005 a proposal for life insurance and submitted it to Bajaj Allianz Life Insurance office of Chennai. The Insurer issued him a policy numbered 0009379361 under 'Cash Gain Economy Plan' with Family Income Benefit and Comprehensive Accident Protection as Riders. Sri.R.Paramasivam died on 25.03.2006. Smt. P.Nirmala, the nominee under the policy submitted her claim papers to the Insurer. The Insurer repudiated the claim on the grounds that the life assured had not disclosed material facts in his proposal for insurance dated 20.05.2005.

In the hearing the complainant told the Forum that her husband was a business man and a contract labour and his death was a sudden one. She agreed that her husband was a smoker but used to smoke during night shifts. One of the Officials of the Forum questioned whether her deceased husband was using hearing aid machine. She replied that he was using the hearing aid machine whenever required. She also contended that he was healthy before his death. The Insurer stated that since it was an early claim i.e. 9 months after the proposal, they arranged for an investigation, whereby it was revealed that the deceased was a smoker, deaf since childhood and had Chest pain earlier. They had also produced to this forum the medical certificate obtained from a Govt. Doctor to prove his deafness. The Insurer also stated that had these details been disclosed at the time of proposal, they would have asked the Life assured to undergo medical examination like FMR, ECG and would have called for smoking and disability questionnaire.

So it was evident that the life assured had not revealed his deformity in the proposal for insurance dated 20.05.2005 (Here, it is worthwhile to note the general principle that a party of full age and understanding is normally bound by his signature to a document whether he reads it, understands it or not). However regarding the Coronary Artery Disease, the Insurer had neither hospital reports, ECG/other test reports nor medical prescriptions to conclusively prove that life assured was suffering from Coronary Artery Disease before proposing for insurance. Further adequate evidence was not produced by the Insurer for proving (a) smoking alone was the cause for Coronary Artery Disease and (b) exact onset of the symptoms of heart disease which led to heart attack which was the proximate cause of death. To be fair and equitable to both the parties, given the circumstances of the case, it was decided that an amount equal to Rs.25000/- be allowed to the complainant as an ex-gratia payment.

The complaint is partly allowed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2431
Sri. G.Narayanan**

Vs

Life Insurance Corporation of India

Award Dated : 15.02.2007

Smt. N. Saroja submitted a proposal dated 19.07.2003 at Arakkonam Branch, Vellore Division and obtained a policy bearing number 733135932 for a Sum Assured of Rs.50,000 under Endowment Plan for a term of 20 years. Smt. N. Saroja died due to Diabetic Foot with Sepsis and Cardio respiratory arrest. Sri. G. Narayanan, the nominee of the policy preferred a claim for the benefit under the policy. The Insurer repudiated his claim on the grounds that Life Assured had failed to disclose that she was suffering from DM and further that she had consulted a doctor and availed treatment from him in a hospital.

In the hearing the complainant stated that his wife was 45 years old at the time of death. He is working for TWAD Board. He was not aware that his wife had taken a policy. She used to consult Dr.Booshna Prakash whenever she suffered from an illness. One day she had stepped on a small sharp stone and that caused pain. Only at that time he came to know that she was suffering from Diabetes. When questioned about his statement in his letter addressed to the Branch Manager of LIC of India that his wife was affected by sugar for 2 years and was availing treatment from Dr.Booshna Prakash of Arokonam, he said that he had approximately stated that she was suffering from diabetes for 2years. The insurer stated that the policy was taken in July 2003 for a Sum Assured of Rs.50,000/- under Endowment Plan for a term of 20 years. The policy had run for 1 year and 10 months. The cause of death was Diabetes Mellitus with ulcer foot. On their investigation they came to know that she was suffering from Diabetes and was treated by Dr.Booshna Prakash of Arakonam. The complainant himself had given a letter to the Branch Manager about the treatment undergone by his wife and that she was suffering from Diabetes for 2 years. The cause of death was Diabetic Foot with Sepsis.

On going through the relevant documents, it is clear that the Life Assured was diabetic for 5 years before her death (which is before the date of proposal), there is nexus between the cause of death and disease that was suppressed and the Insurer had obtained clinching evidence to prove that the life assured had been suffering from Diabetes Mellitus before proposal date.

The complaint is dismissed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2429
Smt. D.Roopavathi**

Vs

Life Insurance Corporation of India

Award Dated 15.02.2007

Sri. K. Devaraj submitted a proposal dated 1st March 2002 to LIC of India, Vaniyambadi Branch under Vellore Division on 04.04.2002 and obtained a policy bearing number 731650996 with a date of commencement from 28.03.2002 for a Sum Assured of Rs.1 lac under Jeevan Anand Plan. Sri. K. Devaraj died due to heart attack on 7th February 2005. Smt. Roopavathi, his wife preferred a claim for the death benefits, with the

Insurer. The Insurer rejected her claim on the ground that the life assured had withheld the correct information regarding his health at the time of proposal.

In the hearing as the complainant was not present her contentions were read out to the insurer. In that she alleges that on 13.03.2002, when her husband signed the proposal, the agent, the branch official and Dr. Nurus Syed did not ask her husband any question on the illness, treatment etc. They were told of only the maturity/death benefits. She further says that they know the agent even earlier and her minor son's policy was also canvassed by him in 1998. If they were asked about the health condition, they would have told the truth. The insurer stated that Sri K.Devaraj, had retired as ADO in State Development Bank, Dharmapuri. The cause of death stated in the claim form B was probable Acute Myocardial Infarction. The Bethesda Hospital Reports, Ambur confirms that the assured was availing treatment since 1997 and has been recorded as a known case of Diabetes Mellitus Type II, Hypertension, obesity and Upper Respiratory Tract Infection from June/1999. The assured was on regular treatment. He had been taking drugs for Hypertension. The assured was admitted there on 22.06.1999, 03.06.2001, 22.06.2001 and 02.02.2005 as in-patient. As per Bethesda Hospital the assured was a regular patient- had Diabetes, Lumbosacral Strain, Osteoarthritis, Respiratory Infection - 10 years' history. Had he disclosed the ailments they would have called for special reports.

Therefore the Insurer had established beyond doubt that on 13.03.2002, the life assured had furnished incorrect information in his proposal. The life assured was a retired bank employee and was very well aware of the gravity of his health condition and the contention of the complainant that the agent misled them could not be accepted.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2479

Smt. S.Dhanalakshmi

Vs

Life Insurance Corporation of India

Award Dated 16.02.2007

Sri.T.K.Subramani who was working in Southern Railways submitted proposals on 30.03.2001 & 31.03.2001 to LIC of India, Arakonam Branch of Vellore Division. The Insurer issued him two policies-policy number 732126543 for Rs.50000/- & policy number 732126617 for Rs.25000/- -both under their Endowment Plan. Sri.T.K.Subramani died on 27.10.2002 due to Cirrhosis of Liver. Smt.S.Dhanalakshmi, the nominee under the policies submitted her claim papers to the Insurer. The Insurer repudiated the claim on the grounds that the life assured had withheld material information regarding his health and habit at the time of effecting the assurance with them.

In the hearing the complainant told the Forum that her husband was working in Workshop of Southern Railway. Her daughter was also present for the hearing. There was delay in claiming the amount as they came to know that her father had taken policies only after sometime. She stated that her father was not an educated person to fill up the proposal form. She admitted that her father used to drink. The insurer stated that the 2 policies taken simultaneously in March 2001 for Rs.50,000 and 25,000 Sum Assured under Endowment plan for 13 and 15 years respectively had run for 1 y 7 m.

He was also on leave during 11.04.2000 to 03.05.2000. He died due to Cirrhosis of Liver with history of taking alcohol.

The available documents revealed that the LA had a history of chronic alcohol intake. There was nexus between the information suppressed and the cause of death. However it was also evident that though the life assured was in the habit of consuming alcohol he was not aware of his liver condition on the day he proposed for insurance. The fact cannot be ignored that the assured did not mention in the proposals his habit of consuming alcohol, about which there is a specific question in the proposals. The disclosure of this information would have helped the insurer to further enquire about the quantity and frequency of alcohol consumption and based on that they would have called for special medical reports that may be necessary to have a proper assessment of risk. Thus keeping the circumstances of the case in mind this Forum concluded that in the best interests of both the contending parties and to mete 'equity and natural justice' that an amount of Rs.15000/- under policy number 732126543 and Rs.10000/- under policy number 732126617 be made available to the complainant as full and final settlement of the claim under both the policies on an ex-gratia basis.

The Complaint is partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2411
Smt. M.Lakshmi
Vs

Life Insurance Corporation of India

Award Dated : 19.02.2007

On 28.01.2004 Sri. D.Maheswaran an agricultural labourer, proposed for insurance on his life to Gudiyatham Branch of LIC of India. He proposed for a sum assured of Rs. 101000/- under T-75 –A Money Back Plan for 20 years term.

Sri. D.Maheswaran died on 08.10.2004 due to fever and vomiting. Smt M.Lakshmi the nominee under the policy preferred the death claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had withheld correct information regarding his health at the time of effecting insurance with them. Aggrieved over the Insurer's decision she represented to the Forum and agreed to have the Ombudsman as a mediator.

In the hearing the complainant stated her husband was asked to take Insurance policy and the agent obtained signature in the forms. They took Insurance for the benefit of their children. Her husband was in good health condition. She stated that before death of her husband, he had problem of vomiting, fever & headache. Regarding the eye injury she stated that this was due to the hitting of a stick while working in the field and nothing more than that. As he could not afford the hospital charges he took country medicines. When she was asked about the treatment taken by her husband in April, 2000 RUHSA Hospital, she accepted that the treatment was taken by her husband as outpatient. The Insurer stated that this policy was given in January 2004 for a Sum Assured of Rs. 1, 01,000/- under Money Back plan for 20 years. The policy had run for 8 months and 10 days. The deceased life assured had studied up to 12th standard as per proposal. The insurer stated that they have repudiated the claim because of Papilloedema (edema of the optic disk, which may be due to intracranial pressure) mentioned in Claim Form B1 given by RUHSA Hospital, Had the life assured informed the insurer about the eye injury suffered by him in the proposal, they would have called for the Ophthalmic Questionnaire and would have found out whether it was due to hypertension.

Keeping the educational and economic background of the life assured in mind it is possible that he had no intention of suppressing this information. However the fact cannot be ignored that the assured had not mentioned in the proposal the accident or treatment for his eye ailment for which there is a specific question in the proposal. Therefore it was decided by the Forum that an amount equal to Rs.15000/- be allowed to the complainant as an ex-gratia payment in full and final settlement of the claim.

The complaint is partly allowed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2495**

Smt.R.Rani

Vs

Life Insurance Corporation of India

Award Dated : 19.02.2007

Sri. R.Suresh obtained a life insurance policy from Chidambaram Branch of LIC of India after submitting a proposal on 25.10.2004. The Insurer issued him a policy numbered 733625253, under their New Jana Raksha Plan for a sum assured of Rs. 30000/-. Sri. R.Suresh died on 20.09.2005 due to Pulmonary Tuberculosis. Smt R.Rani the nominee under the policy preferred the death claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had withheld correct information regarding his health at the time of effecting insurance with them.

In the hearing the complainant stated that her son was in good health at the time of taking insurance. She alleged that the certificate stating that her son had jaundice and typhoid was baseless and her son never had those diseases. She said that they did not know the cause of death. He would have died probably due to some poisonous bite. When questioned as what occupation her son was engaged in, she said that he was not going for any job but used to go to Tiruppur sometime and work. The insurer stated that the assured was daily wage earner as per proposal form and was 26 years old. He died on 20.09.2005 within 10 months of taking the policy due to Pulmonary TB and Acute Respiratory Distress. Dr.T.Paarivalavan of Primary Health Centre, Kumaratchi had addressed a letter to the Zonal Manager of the Insurer on 30.05.2006, wherein he had confirmed that the assured was treated by him for typhoid on 02.03.2003, jaundice on 03.06.2004 and only on 19.03.2005 he was treated for Pulmonary T.B.

In this case the life assured was severely anemic and died at the young age of 27 and it appeared that even though Typhoid and Jaundice were cured he was prone to fall sick quite often. By suppressing his diseases for which there was a specific question in the proposal for insurance, the life assured had denied the Insurer a fair chance of evaluating the risk correctly. However in view of the fact that the Insurer had solely relied on the Claim forms and had not obtained documentary evidence to substantiate their decision, the Forum found that the repudiation of the complainant's claim by the insurer in its entirety was not fully justified. An amount equal to Rs.10000/- was allowed to the complainant as an ex-gratia payment in full and final settlement of the claim.

The complaint is partly allowed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.04.2447**

Smt.R.Periakkal

Vs

Life Insurance Corporation of India

Award Dated : 29.01.2007

Sri. S.Rasu an agricultural coolie obtained a life insurance policy from LIC of India, Aruppukottai Branch of Madurai Division by submitting a proposal on 31.03.1996. The Insurer issued him a policy bearing number 741498931 under their Money Back Plan with a Sum Assured of Rs.50000/- and with a premium paying term of 15 years. Sri S.Rasu revived the policy three times-on 09.05.2001, on 18.12.2003, and on 18.03.2005 by submitting a "Personal Statement of Health" each time. Sri. S.Rasu died on 19.04.2005. His nominee, Smt. R.Periakal preferred the death claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had revived the policy on 18.12.2003 by suppressing correct information, regarding his health in the "Personal Statement of Health" of even date. They however offered to pay the paid up value with bonus after deducting the outstanding loan and interest.

In the hearing the complainant stated that her husband was working as a coolie. He used to go to the doctor for ordinary fever occasionally. He died on 19.4.2005. She preferred the claim with LIC of India. The insurer stated that the assured died on 19.4.2005 and the claim arose within 1y 4m of reviving the policy. The cause of death was Asthma as per Claim Form. 'B' and as per 'BI' it was Tuberculosis and the duration of illness was 2 years He further narrated that Dr.Muthusamy of Kariapatti had confirmed vide his letter dated 18.9.2005 that the assured was under his treatment for TB for the past 2 years prior to his death. The Insurer contended that the deceased life assured was fully aware of the disease and revived the policy and hence the revival of the policy was set aside. The claim was admitted for Rs.23,025/- less outstanding loan and interest of Rs.15,850/-.

On going through the documents the points are that the Insurer had not obtained those documents like test reports, X-Ray reports or treatment particulars to emphatically declare that the life assured was suffering from Pulmonary Tuberculosis and aware of the same on 18.12.2003. Therefore the Forum directed the Insurer to recalculate the paid up value (and bonus thereon) on the basis that the revival effected on 18.12.2003 was valid and rescind the policy money that would have become payable due to the revival effected on 18.03.2005 as the policy holder had died on 19.04.2005 due to Bilateral Pulmonary Tuberculosis.

The Complaint was partly allowed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2447
Smt.R.Periakal**

Vs

Life Insurance Corporation of India

Award Dated : 27.02.2007

On 25.06.2003, Sri. K.Jeyaraj proposed for insurance on his life at Tenkasi Branch of LIC of India. He proposed for a sum assured of Rs. 50000/- under T-75 –A Money Back Plan for 20 years term. Sri. K.Jeyaraj committed suicide on 17.09.2005. Smt Suromani the nominee under the policy preferred the death claim. The Insurer rejected her claim as the life assured had withheld correct information regarding his health at the time of effecting insurance with them.

At the hearing the complainant said that she had a quarrel with her husband over their daughter's marriage. In a fit of rage, he took poison, was hospitalized and died on the

same evening. The complainant's son reported the death to the police, as advised by his friends stating that his father took poison unable to bear the disease. They were afraid of police action against the family if they told the truth. The Insurer said that the assured was suffering from Asthma for 10 years, was taking treatment in a hospital and unable to bear the severity of the disease, the assured had committed suicide. The FIR and the PIR confirm death due to suicide and the cause being the disease. The Insurer did not conduct any investigation and proceeded with repudiation of claim for suppression of material fact.

The insurer in their wisdom did not conduct any enquiry to find out the veracity of the statement made in the FIR and PIR and they have also not got any evidence to prove that the deceased life assured did suffer from Asthma for more than 10 years and that he had suppressed this information while taking the policy in June 2003. Insurance was given to the life assured based upon the medical examination conducted by the insurance company's panel doctor who has certified that life assured was enjoying good health at the time of taking the policy. The insurer was directed to settle the claim according to the conditions of the policy.

The complaint is allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2427
Sri.I.Gurumurthy & Othrs
Vs

Life Insurance Corporation of India

Award Dated : 27.02.2007

Smt.I.Muthuvelammal, a milkmaid and aged 47 years submitted a proposal to Kovilpatti Branch of LIC of India on 19.03.2004. The Insurer issued her a policy numbered 321556533 for Rs. 100000/- Sum Assured, under their Endowment Plan. She had named her husband, Sri.Iranan, as the nominee. Smt.I.Muthuvelammal died on 09.01.2005. Sri.Iranan preferred his claim with the Insurer. The Insurer rejected his claim as the life assured had withheld material information regarding her health at the time of effecting insurance with them. Sri.Iranan also died on 31.08.2006.

In the hearing the complainants were represented by Sri.Sivakumar. He said that all the family members got insured. At that time, they took a policy for their mother also. When asked about the illness his mother suffered from, he said that she used to avail treatment whenever she visited her daughter. When asked about the pre-proposal treatment, he told that he was not aware of the same as he was away at Tirupur. He pleaded ignorance of her illness as he was away from the family at that time. The complainant requested that the premium paid at least be refunded to him.

The Insurer informed that the assured died of heart attack on 9.1.2005 and the pre-proposal treatment at R.S.P. Hospital for cancer was not disclosed in the proposal form. The Insurer also mentioned that the assured's husband had first approached one agent for insurance on the deceased life assured in March 2004. As the agent did not oblige, the policy was taken through another agent.

It is therefore clear that the life assured was in hospital for more than a month and had a surgery performed on her before she proposed for insurance. By answering question 11(a), (b), (d), (e) and (i) in her proposal dated 19.03.2004 incorrectly the life assured had denied the Insurer a fair chance of evaluating her risk appropriately and misguided them in issuing this policy.

The complaint is dismissed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.005.2523
Smt Kanchana Sampath**

Vs

HDFC Standard Life Insurance Company

Award Dated 27.02.2007

Sri M.Sampath Kumar had taken from HDFC Life Insurance Company LTD. a policy bearing No. 10101297 for a sum assured of Rs.50000/- under "Unit linked Young Star Plan with Health Option" for a term of 10 years as per his application dated 17.10.2004. The life assured died on 17.07.2006. The complainant, who was the nominee under the policy, approached the insurer for the settlement of claim benefits. But the Insurer refused to honour the claim on the plea that the assured suffered from Diabetes and Hypertension and which fact he did not disclose in his application for insurance and therefore the policy was declared null and void. The claim for the full sum assured was repudiated.

In the hearing the complainant stated that her husband was a retired IOB Legal Officer. She said that the agent of the insurer came in person and collected the filled in proposal form. At the time of proposal they had disclosed the facts i.e. the life assured was a HT, DM patient for past 10 years and occasionally used to take alcohol etc., to the agent. But the agent insisted not to reproduce the same in the proposal form. She also said that they knew the agent only at the time of inception of the policy. Her contention was that the agent had misguided them at the time of proposal. The representative of the Insurer stated that the deceased life assured was covered under a HDFC Unit Linked Young Star Plan. She stated that the deceased life assured had failed to disclose that he was a known HT, DM patient for 10 years and used to occasionally take alcohol. Had that been disclosed they would have extended the policy after satisfactory medical examination. They had believed in the disclosed statement made by the deceased life assured and had not insisted on medical examination.

The DLA being a legally qualified person himself it is difficult to accept that he had suppressed material information due to the advice of an agent whom he had just met. Such being the case, the contention of the complainant that they had informed the agent of the Insurer who had only advised them against revealing the real health condition is not tenable.

The repudiation of the complainant's claim for the death benefits by the insurer on the ground that the insured had withheld material information regarding his health is sustainable. However the premium collected by the Insurer included an amount to be invested in units and it was only fair that this component which did not rely on any mortality chart be paid to the complainant. The Insurer was directed to pay the permissible value of the allotted units as on 07.02.2007

The complaint is partly allowed

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.06.2496
Sri A.Ramaiyan**

Vs

Life Insurance Corporation of India

Award Dated 28.02.2007

Sri. R.Kothandapani submitted a proposal dt 29.07.1999 at Thiruvarur Branch of Thanjavur Division and obtained a policy bearing number 752190040 for a Sum Assured of Rs.25000/- under Endowment Plan for a term of 15 years. Sri. R.Kothandapani revived the lapsed policy on 09.08.2004 by submitting a "Personal Statement of Health" of even date. Sri. R.Kothandapani died on 18.11.2004. Sri. A.Ramaiyan, the nominee of the policy preferred a claim for the benefit under the policy. The Insurer repudiated his claim on the grounds that Life Assured had failed to disclose in the "Personal Statement of Health" dated 09.08.2004 that he was suffering from Malignant Tumour/ Prostatic Sarcoma and that he had taken treatment at JIPMER Hospital.

In the hearing the complainant had expressed his inability to attend the hearing. He had written in his letter that his son had revived the policy only because the Insurer would not settle claim if the policy was in a lapsed condition. The complainant's appeal was read out to the Insurer. The Insurer said that the Investigating Official had furnished all details of pre revival hospitalization of the assured. The assured was diagnosed for Prostatic Abscess, was admitted in JIPMER Hospital on 10.2.2004, operated upon on 12.2.2004 and was discharged on 15.2.2004. He was readmitted there with complaints of retention twice with Tender Enlarged Prostate and biopsy revealed Leiomyosarcoma. Explorative Laparotomy was done on 7.4.2004 followed by Chemotherapy. The Insurer said that all these pre-revival treatments were not disclosed by the assured in the Personal Statement of Health, at the time of revival on 9.8.2004. This led to repudiation of claim, the Insurer concluded.

In the present case, since the Insurer had established that the deceased life assured was suffering from Prostate Cancer and had taken treatment before he revived the policy.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2454
Sri A.Ramaiyan
Vs

Life Insurance Corporation of India

Award Dated : 28.02.2007

Sri. V.Aathankaraiyan submitted a proposal on 09.04.2002 to LIC of India, Vallioor Branch under Tirunelveli Division and obtained a policy bearing number 321225885, for a Sum Assured of Rs. 84,000/- under the Insurer's Money Back Plan. The policy was issued with accident benefit. Sri. V.Aathankaraiyan died on 18.10.2005. Sri.V.Vallivel Konar, the nominee under the policy preferred a claim for the death benefits, with the Insurer. The Insurer paid the basic sum assured with bonus but rejected accident benefit on the grounds that no concrete proof was available to prove accident.

In the hearing Smt.V.Krishnaveni who represented the complainant told the Forum that her brother was a milk vendor and also used to graze the cattle. He was bitten by a snake, was given first aid and was hospitalized by a relative at Asaripallam. He was conscious at that time. The Insurer had settled the claim of Rs.91,381/-. However, the Accident Benefit was not settled. The Insurer said on 11.11.2005, the basic claim of Rs.91,381/- was settled. Though the FIR and PIR confirmed that the death was due to snake bite, the Post-Mortem Report and the Final Chemical Analysis did not point out any poisonous substance in the viscera and also no internal or external injuries were

found in the body. It was further reported that the death was due to asphyxia and that the cause of asphyxia could not be ascertained.

Therefore it emerges that we have two contradictory reports. As the Insurer has relied upon the Post-mortem Report which is a medical and a scientific document this Forum does not find it fit to interfere with the Insurer's decision.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2497
Smt S.Petchiammal
Vs
Life Insurance Corporation of India

Award Dated : 28.02.2007

Sri. P.Subbiah, the deceased life assured was employed as Telephone Supervisor in BSNL. He signed a proposal under medical scheme on 22.02.2003, with LIC of India, Career Agents Branch of Thanjavur Division, to get a life cover for Rs.50000/-. The policy with number 752723512 was under Endowment Plan with a 20 year term. The life assured died on 16.04.2004 due to "Right Basal Ganglionic Intracerebral Hematoma. Smt. S.Petchiammal, as the nominee claimed the money from the Insurer. The Insurer informed her that they were repudiating the claim under the above policy as the life assured had given false answers to question numbers 11(a), 11(b), 11(d), and 11(i) in the proposal.

In the hearing the complainant said that the facts given in the proposal form were true. She said that her husband had no serious ailment barring the ordinary cold and cough. He was not well only for a week before death and was treated by Dr.Lenin Chandrasekar. He complained of chest pain and was taken to MGK Hospital and then to Maruthi Hospital. He died there. She was not aware that her husband had hypertension. She totally denied that her husband had any illness that necessitated treatment. The Insurer said that Dr.Lenin Chandrasekar had issued a certificate that the assured had viral fever and had Hypertension for 2 years. He referred to the Proof of Affidavit signed by the doctor. He further added that the assured had failed to disclose details of leave availed by him in the proposal form.

On perusing the documents it emerges that the Insurer was not able to get any valid proof for the life assured having taken treatment for Hypertension. There is no prescription for medicines from Dr.Lenin Chandrasekaran or any doctor for having treated the life assured to substantiate the Insurer's claim that the life assured was not keeping good health prior to the date of the proposal. Regarding the medical leave availed by the life assured it is not an uncommon practice in Government Offices to apply medical leave to attend to personal work. None of the medical certificates have 'Hypertension' as cause of leave. The Medical Examiner of the Insurer had not recorded any treatment (for Hypertension) in his report dated 22.02.2003. Therefore with the help of available documentary evidences, it would be difficult to conclude that the Insurer had satisfactorily discharged his onus of proving fraudulent material suppression.

The complaint is allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.02.2485
Smt N.Vijaya
Vs

Life Insurance Corporation of India

Award Dated : 28.02.2007

Sri. B.Netharaman had three life insurance policies from LIC of India. All the three policies were issued with accident benefit. These policies were serviced by the Insurer's Ambattur Branch of Chennai Division - II as the premiums were recovered from Sri. B. Netharaman's salary by his employer and remitted to LIC of India Ambattur Branch. Sri. B.Netharaman died on 03.04.2005, while returning home from work. His wife and nominee under the policies, Smt N.Vijaya, preferred the claim with the Insurer. While admitting the death claim the Insurer rejected to pay accident benefit as the life assured had died while crossing the rail track.

In the hearing the complainant was represented by her brother, Sri. Ramesh. The life assured was working in M/s. Devon Machines Pvt. Ltd., Ambattur, Chennai. He usually works in night shifts. The second shift used to be till 11.00 p.m. and he used to return home around 12.00 or 12.30 in the midnight. The previous night of the accident he called his wife and told that he would return home the next morning. The next morning they received a call at 09.00 a.m. regarding his death in a railway accident. Sri Ramesh went to identify the body along with the brother of the life assured. With his bag and slippers he could identify that he was his brother-in-law. The police told him that he died while crossing the track. But no one had seen the accident that took place. The insurer stated that the accident benefit claim was repudiated as the life assured had committed breach of law. He died while crossing the railway track. He read out the Police Inquest Report where the police had observed that he had trespassed the railway track and met with the accident. As per the Railway Act crossing the track was punishable offence. He read out the excerpts of the act and the punishment given for the same. He also said that as per Section 123 of the Railway Act, death due to crossing track was not an accident. As per policy conditions also they could not pay the same since crossing the railway track was breach of law.

It is therefore evident that the Insurer has not been able to conclusively prove that the life assured had committed any breach of law. All the documents that the Insurer has relied upon have noted cause of death as "Accident" only.

The Complaint was allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.003.2474

SRI R. M. Angusamy

Vs

TATA AIG Life Insurance Co. Ltd.

Award Dated : 12.03.2007

Smt.A.Padmavathi aged about 42 years submitted an application to Tata AIG Life Insurance Co.LTD. on 22.11.2005 and obtained a Maha Life Policy from the Insurer for Rs.2 lakhs after she had paid an annual premium of Rs.14000/-. Smt.A.Padmavathi died on 13.05.2006. Sri. R.M.Angusamy, her husband and nominee under the policy, preferred the claim with the Insurer. The Insurer repudiated the claim on the ground that the life assured had been under treatment for menstrual disorder and anaemia before the date of application and which was not revealed in the application for insurance dated 22.11.2005.

In the hearing the complainant stated that the life assured was a housewife. She was quite alright except for her menstrual problems for which she used to consult their

family doctor. He admitted that his wife was taking treatment for the last 2 or 3 years. Only before the surgery the Doctor called him and told him that she needs to undergo Hysterectomy as she had tumours in the uterus. Based on the trust on the doctor they admitted her for surgery. On 13.05.2006 after the surgery she died. The insurer stated that death occurred on 13.05.2006 within 5 months from the date of risk. Since it was an early claim they conducted investigations. They found that the deceased life assured had menstrual problems prior to taking insurance and the same was not disclosed in the application form. They got prescriptions dated May 2005 and July 2005. The medicines prescribed gave them an indication that she was anaemic relating to menstrual problems. They had a question viz. question no.9 in the application for insurance pertaining to female lives and nothing was disclosed for the question by the life assured. Had she disclosed her ailment they would have called for Attending Physician's report containing facts of the patient, an ultrasound abdomen scan report and a complete blood profile.

Therefore it is evident that the life assured had been consulting a doctor for her menstrual disorder which is also confirmed by her husband. However it is possible that the 43 year old life assured might have thought the undue uterine bleeding as menopausal and not a serious matter that required to be disclosed. Hysterectomy is quite a common operation nowadays and also the cause of death was due to post-operative complications not expected by the life assured. Keeping the circumstances of the case in mind and after due deliberation, this Forum concluded that in the best interests of both the contending parties an amount of Rs.25,000/- be made available to the complainant as full and final settlement of the claim under the policy on an ex-gratia basis.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.05.2557
Smt M.Eswari

Vs

Life Insurance Corporation of India

Award Dated : 15.03.2007

Sri. M.Balasubramania Pillai obtained a life insurance policy from Hosur Branch of LIC of India after submitting a proposal on 18.02.2003. The Insurer issued him a policy numbered 701729500, under their Endowment Plan for a sum assured of Rs. 1 lakh. Sri. M.Balasubramania Pillai died on 03.01.2006 due to Septicemia. Smt M.Eswari, his wife and nominee under the policy preferred the death claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured had withheld correct information regarding his health at the time of effecting insurance with them.

In the hearing the representative of the complainant stated that his brother was married to his sister-in-law in the year 2000. His brother died suddenly on 3.01.06 He stated that his family members were not aware of his HIV infection. The Forum pointed out to the representative of the complainant that in the hospital certificate, the deceased himself had declared that he was a HIV infected patient from 2002 onwards for the Q. No.8 and it was clearly mentioned that the patient himself gave his history to the doctor. The insurer stated that the policy commenced from 20.2.03 and the policyholder died on 3.1.06. From investigation they came to know that he was a HIV infected patient and he was aware of the fact before inception. Since, the same was not disclosed in the proposal form, they had repudiated the claim due to suppression of material fact.

In view of the fact that the Insurer had solely relied on the Claim forms and had not obtained documentary evidence to substantiate their decision, the Forum found that the repudiation of the complainant's claim by the insurer in its entirety was not fully justified. To be fair and equitable to both the parties, given the circumstances of the case, the Forum decided that an amount equal to Rs.20000/- be allowed to the complainant as an ex-gratia payment in full and final settlement of the claim.

The complaint is partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.03.2545
Smt M. Parameswari

Vs

Life Insurance Corporation of India

Award Dated : 16.03.2007

Sri.V.Muthusamy had two insurance policies with LIC of India -763612870 under Plan 149 for SA of 1,00,000/- for which he submitted proposal on 14.08.2003 & 762208279 under Plan 14 for SA of 50,000/- for which he submitted proposal on 28.02.2004. The life assured died on 10.09.2005. The Complainant Smt. M.Parameswari claimed the death benefits under the above policies. The Insurer repudiated the claim under both the policies on the ground that the life assured had revived the first policy on 19.10.2004 by submitting a 'Personal Statement of Health' and obtained the second policy without informing either in the Personal Statement of Health' dated 19.10.2004 or in the proposal dated 28.02.2004 about his renal failure for which he had taken treatment in 2003.

In the hearing the complainant stated that her husband was alright till one year of taking the policy. She said that her husband was taking treatment for blood pressure. When the records of her husband's pre-proposal illness were shown to her she admitted that he was suffering from renal disease. She said that her husband's sister was about to donate her kidney but her husband died before the surgery for kidney transplantation. She however, pleaded for sympathetic consideration of her claim on humanitarian grounds since she had two children to be taken care of. The Insurer did not attend hearing as it was intimated to them that the hearing was cancelled owing to non-submission of Proforma PIII by the complainant. However the insurer had submitted their 'Self Contained Note' where they had enclosed the relevant hospital records to prove that the life assured had suffered from renal disease prior to proposing for insurance.

In this case the life assured had suffered from renal disease from 13.08.2003 itself. By not disclosing this important information to the Insurer in his proposals and 'Personal statement of Health' submitted at the time of revival the life assured had denied the Insurer a fair chance of evaluating the risk correctly.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.05.2544
Smt S.Mallika

Vs

Life Insurance Corporation of India

Award Dated : 22.03.2007

Smt.S.Shanthi obtained a life insurance policy by submitting a proposal to LIC of India, Salem South Branch on 30.04.2003. The Insurer issued her a policy numbered 701663354 for a sum assured of Rs.1 Lakh under their Jeevan Anand plan and the quarterly premium was Rs.2004/- which the life assured had agreed to pay for 15 years. The policy lapsed due to non-receipt of premium due April 2004. Smt.S.Shanthi revived the policy on 10.01.2005 by submitting a Personal Statement of Health dated 09.01.2005. Smt.S.Shanthi died on 19.05.2005. Smt.S.Mallika, who was the Appointee for the minor nominee under the policy, preferred the death claim with the insurer. The insurer repudiated her claim on the ground that the life assured had not revealed her caesarian operation and miscarriage in her Personal Statement of Health dated 09.01.2005.

In the hearing the representative of the complainant stated that he was an Engineer and engaged in business. He admitted that his first son was born through Caesarian operation Subsequently in the year 2000 she had a miscarriage during her 2nd or 3rd month of her second pregnancy. At the time of death also she was pregnant. The previous night she complained of stomach pain and they had consulted Dr.Babyusha, their family doctor. The next day around 04.30 a.m. she complained of very severe stomach pain and she was taken to the Doctor. She died on the way to the hospital. The importance of the specific questions for female lives in the proposal form was pointed out to him. It was also pointed out that the date of last menstruation in the Personal Statement of Health has been mentioned as 29.12.2004 as against 07.12.2004 recorded in the case sheet maintained by Dr.Babyusha. The insurer the LA was a housewife. The LA died on 19.05.2005 within 4 months from the date of revival. On investigation they found that the life assured had undergone caesarian operation for the delivery of her first child. She also had a miscarriage. The details about caesarian operation were not mentioned in the proposal and the details of miscarriage were not given in the Personal statement of Health. Had she disclosed the details they would have called for the special reports and assessed the risk properly.

It emerges that even though the life assured could not have known about her pregnancy on 09.01.2005 when she signed her personal statement of health, she had misled the Insurer by wrongly stating her Date of Last Menstruation as 29.12.2004. Had she noted correctly the Date of Last Menstruation as 07.12.2004 the Insurer would have postponed the revival till the menstruation had commenced. Thus by this wrong information the life assured had denied the insurer in correctly assessing her risk.

14. The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2556
Smt. E.Shanmugathai

Vs

Life Insurance Corporation of India

Award Dated 22.03.2007

Sri P.Ithaya Kani aged 27 years submitted a proposal on 08.03.2004 to LIC of India, Tenkasi Branch and obtained a life insurance policy numbered 321748671. The policy was for Rs.1.6 Lakhs under the Insurer's Money Back Plan. Sri P.Ithaya Kani had to pay an annual premium of Rs.10091/- for 20 years. On 25.09.2005 Sri P.Ithaya Kani died at the age of 28 years due to heart attack. Smt.E.Shanmugathai, his wife and nominee under the policy, preferred her claim with the Insurer. The Insurer rejected her claim on the grounds that Sri P.Ithaya Kani, the life assured, had withheld material information regarding his health at the time of effecting insurance with them.

In the hearing the complainant stated that her father's house was in Kerala and her husband i.e. deceased life assured was related to her and she was staying with her husband before his death at Kadayanallur. She said that her husband died suddenly on 21.09.2005 due to heart attack. The wife of the deceased life assured replied that they know the reason for repudiation was related to her husband's HIV illness. She came to know about his illness only after their marriage. The letter written by the complainant to the deceased life assured was shown to her, which contained the statement narrating the HIV infection of the deceased life assured and her awareness on that. She agreed that it was her letter to her husband when she was in her father's house. The Insurer stated that the Date of commencement of risk was 15.3.2004. The Insurer produced the letter written by the complainant to her husband, which clearly stated the existence of HIV in the deceased. The letter proved that she was aware of his illness.

On a careful and dispassionate study of the entire case file, this Forum comes to the conclusion that even though there were no medical prescriptions or lab reports relating to AIDS, the Insurer had obtained a letter written by the complainant to the life assured. In the letter dated 01.12.2004 the complainant had written that the life assured had been aware of his AIDS illness for the past one year. The complainant also speaks of visiting Madurai to collect medicines. However the Insurer had not obtained treatment particulars from the concerned hospital in Madurai. Therefore the Forum finds that the repudiation of the complainant's claim by the insurer in its entirety is not justified. To be fair and equitable to both the parties, given the circumstances of the case, the Forum allowed an amount equal to Rs.30,000/- to the complainant as an ex-gratia payment.

The complaint is partly allowed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.02.2561
Smt. Jeyanthi Kothandaram**

Vs

Life Insurance Corporation of India

Award Dated : 22.03.2007

Mr.V.Kothandaraman had seven life insurance policies from LIC of India that had accident benefit as a rider along with life cover. Of these seven policies one was serviced by City branch-IX of Chennai Division-I and the rest by Branches of Chennai Division-II. Mr. V.Kothandaraman died on 21.04.2004, while going to work. Smt Jeyanthi Kothandaraman, the nominee under the policies preferred the claim with the Insurer. Chennai Division-I paid the basic claim and AB whereas Chennai Division-II while admitting the death claim rejected to pay AB on the grounds that the life assured had met with an accident while crossing the track which is a breach of law under Section 147 of the Railways Act 1989. On her representation to the higher office of the Insurer, the Zonal Office allowed Rs. 56500/- on an ex-gratia basis.

In the hearing on 23.02.2007 the complainant Smt. Jeyanthi Kothandaraman stated that her husband was not well before the accident. Since, the deceased life assured ought to join his office; he left for his office on 21st of April 2004. On his way to his Office, he was run over by a train and died on 21.4.04. She claimed for the benefit under the policy and got the benefits settled under the policy from Chennai Division I. Since, she got only 50% of the benefits from Chennai Division II, she has approached this Forum for the full benefits under the policy. Her main contention was that when she got the entire benefits from Branch 9 why not from other branches of the same Insurer. The Insurer stated that crossing the Railway Track is an offence and punishable under the

act. She stated that as per the station master report, which narrated that, a 'male aged about 35 years suddenly trespassed and killed near Egattur railway station', hence, the Insurer has repudiated the claim under policy condition 10(b) iv and no accidental benefit is payable for any breach of law. She also stated that they were not sure whether it was an accident or not. She stated that the word 'sudden' given by the station master clearly established that the deceased life assured was crossing without taking precautionary act. During the hearing, it was pointed out to the Insurer that from the PIR it was clear that the event was an accident. The Forum stated that under Railway act, trespassing was punishable, but in this case the trespasser could not be punished since, he was already dead. It was also pointed that trespassing is punishable under Railway act and Insurance policy was silent in this regard. It is evident that Section 147 of the Railway Act is to help the railways in safeguarding their property and in this instance the insurer has not obtained evidence to prove that the life assured had committed any breach of law as envisaged under the section.

In a recent case the Supreme Court also upheld that the crossing of railway track by negligence has to be treated as an accident and the relevant extract of the case between National Insurance Co. Ltd., Vs Swaran Singh & Ors is reproduced "Accident includes negligence. It makes no difference that the accident was caused by the negligence of the assured (as opposed to his intentional act). Thus there is an accident where the assured crosses a railway line without exercising due care and is knocked down by an approaching train."

It is also worthwhile to note the extract from the 'Insurance Treatise of Mac Gillivray'- "Insurance companies have always experienced difficulty in defining the risk which they are prepared to undertake in an accident policy. In a sense every death or injury, unless intentionally inflicted by the assured himself, is accidental in that its time, manner and cause are unforeseen and unexpected, and insurers have sought to define the risk much more narrowly."

So it is very clear that the Insurer should have considered all the facts from various angles before repudiating the accident claim. The argument of the higher office namely the Zonal Office that some ex-gratia was given purely on humanitarian consideration did not convince this Forum. Actually the facts of the case do warrant payment of accident claim and the Insurer should have paid full amount.

The Complaint is allowed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.01.2563
Smt. B.Zarina Begum**

Vs

Life Insurance Corporation of India

Award Dated : 27.03.2007

Sri Buruhanudeen submitted a proposal for life insurance on 09.07.2003 to City Branch VI of LIC of India, Chennai Division I. The Insurer issued him a policy under their Money Back Plan. Sri H.Buruhanudeen had to pay Rs.904/- as the quarterly premium for 20 years. The policy lapsed since he did not pay the quarterly premium due October 2005. Sri. H.Buruhanudeen died on 28.11.2005 due to Cerebro Vascular Accident, renal failure and Uremia. Smt.B.Zarina Begum, his wife and nominee under the policy, submitted the death claim papers to the Insurer. The Insurer rejected her claim on the grounds that the policy was in a lapsed condition and also that the life assured had withheld material information regarding his health at the time of effecting insurance with them.

In the hearing the complainant stated that her husband was only 39 years old at the time of death. Her husband had normal health. Suddenly one day he complained of chest pain and she admitted him to the Government General Hospital, Chennai. The Doctors told her that he was critical and he might not survive. She came to know that he had a policy only after his death. She was not aware that her husband had high blood pressure. He never used to take medicines. Whenever he got cough, cold and fever he used to go and consult doctors. She had not accompanied him any time. When questioned who would have disclosed the history of her husband's health to the Doctors she said that she did not know how they have recorded. When questioned about the admission to Government Royapettah Hospital, Chennai in 2004, she said that he was not admitted. Since he was admitted to hospital during his terminal illness they could not pay the premium in time and hence the policy had lapsed. He died due to Heart Attack on 28.11.2005. The first unpaid premium was 10.10.2005. The policy was in a lapsed condition. No paid up value had accrued under the policy. Hence nothing was payable as per policy conditions. The life assured had pre-proposal ailments as revealed by the discharge summary of Government General Hospital, Chennai. She said that they could not consider the claim even under their Chairman's Relaxations for payment of ex-gratia as there was pre-proposal illness.

In this instance it is evident that the life assured had withheld the information of his hypertension condition in the proposal. This information was very vital to the insurance as the life assured had finally succumbed to brain hemorrhage with kidney failure. Had he mentioned that he was on drugs for hypertension, the Insurer would have called for additional requirements and the case would have been underwritten at their higher office. By suppressing his correct health condition, the life assured had denied the Insurer a fair chance of correct assessment of risk.

The complaint is dismissed.

**Chennai Ombudsman Centre
Case No. : IO (CHN)/21.08.2526**

Smt. S.Nirmala

Vs

Life Insurance Corporation of India

Award Dated 28.03.2007

Sri. G. Sivasubramanian obtained a life insurance policy for a SA of Rs.40,000/- under the Jeevan Surabhi (Money Back) Plan from LIC of India, Villupuram Branch on 28.12.1995. Sri. G. Sivasubramanian did not pay the yearly premium due December 2000. He revived the lapsed policy on 13.02.2003 by paying all the premiums that were due and after submitting a 'Personal Statement of Health' of even date and medical report dated 8/2/2003. Sri. G.Sivasubramanian. died on 11.09.2004 due to Multiple Myeloma. Smt. S. Nirmala the nominee under the policy preferred her claim with the Insurer. The Insurer rejected her claim for the full death benefit on the grounds that the life assured had revived the policy on 13.2.2003 without disclosing the treatment taken by him for Multiple Myeloma. The Insurer, offered to settle the paid-up value with bonus accrued under the policy.

In the hearing, the representative and the son of the complainant stated that his father was working in a Govt. College. Since their claim was repudiated they appealed to the Zonal Office and since their appeal did not yield results, they appealed to this Forum. He admitted that his father was not having good health from 1999. But he said that the policy was taken in 1995 and he fell ill only in 1999. It was pointed out to him that

revival was almost like a fresh contract and his father was expected to reveal the true condition of his health at the time of revival also. When questioned he said that he was aware of the basis of repudiation. The insurer stated that the deceased life assured was a Professor in Government Arts College. They had paid 2 survival benefits under policy on 28.12.1999 and 28.12.2003 respectively. The policy lapsed in December 2000 and subsequently it was revived on 13.02.2003, based on the Declaration of Good Health and medical examination after payment of 3 yearly dues along with interest amounting to Rs.15000/-. On investigation they found that the life assured suffered from Multiple Myeloma prior to revival. The Discharge Summary issued by Apollo Speciality Hospitals, Chennai noted in the history as 'a known case of Multiple Myeloma'. The Claim Form B also confirmed that the assured was suffering from Multiple Myeloma since 1999 and the treatment at Apollo Specialities Hospital at Chennai. They had submitted the certificates issued by Dr.Thyagarajan for availing various spell of sick leave by the life assured prior to the date of revival, which also stated the same reason. However, the insurer offered to settle the paid-up value with vested bonus after deducting the II survival benefit paid as the revival was held void, which worked out to Rs.5480

In this instance it is clearly evident that the life assured who was a learned person had not provided the correct information in the 'Personal Statement of Health' dated 13.02.03 which led the Insurer to wrongly revive the policy for the full Sum Assured. If the life assured had revealed his real health condition of being afflicted by Multiple Myeloma the Insurer may not have revived the policy at all.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.01.2563

Smt. R.Veluthai
Vs

Life Insurance Corporation of India

Award Dated : 28.03.2007

Sri S.Veluchamy submitted a proposal for life insurance on 10.09.2003 to Kovilpatti Branch of LIC of India. The Insurer issued him a policy numbered 321548597 for Rs.30,000/- Sum Assured under their New Jana Raksha plan. Sri S.Veluchamy died on 06.11.2004. Smt.R.Veluthai, his sister and the nominee under the policy, preferred the claim with the Insurer. The Insurer repudiated her claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting the assurance with them.

The representative of the complainant stated that the life assured was his brother-in-law. They live in a remote village called Maruthan Kinaru, which is 25 kms. away from Sankarankoil. His brother-in-law was 31 years old at the time of death and was not married. When questioned as to why he did not marry he said that he was not interested in marriage. One day he suddenly complained of stomach ache and diarrhoea. He became weak and before they could call a Doctor from Sankarankoil his condition worsened. He was almost dead by the time the Doctor attended on him. When questioned about the hospitalization at Government Hospital at Sankarankoil from 02.09.2003 to 08.09.2003 and the certificate given by Dr.Reghupathy, he said that he was not aware of the hospitalization since he goes for labour work to Kerala sometimes. He denied that his brother-in-law was suffering from T.B. They were all eating together. If it was known that he was T.B. patient they could have kept away from him and given him separate plates etc., since the disease was contagious. The

insurer stated that the life assured was admitted to Government General Hospital, Sankarankoil on 02.09.2003 and he was discharged on 08.09.2003. The doctor had advised him to go to Tirunelveli Medical College Hospital for further treatment. He had suspected T.B. and referred him to a higher hospital. Within 2 days of his discharge from the hospital i.e. on 10th September 2003 he had proposed for a life insurance policy without mentioning the TB or hospitalization. The claims investigating official had collected 2 letters from the villages that the life assured was suffering from T.B. for a long time.

In this instance the life assured had signed the proposal after getting discharged from the hospital which information he had not mentioned in the proposal. Also on 08.09.2003, the doctor had discharged him on life assured's request but against medical advice. So it is very evident that the life assured's health condition was not good.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.04.2597
Sri.L.Vellaichamy

Vs

Life Insurance Corporation of India

Award Dated : 29.03.2007

Smt.V.Muthulakshmi submitted a proposal for life insurance on 10.06.2002 to LIC of India, Dindigul Branch II of Madurai Division. The Insurer issued her a policy numbered 743015266 for a sum assured of Rs.50,000/-. Smt.V.Muthulakshmi died of cancer on 05.05.2005. Sri L.Vellaichamy the nominee under the policy preferred his claim with the Insurer. The Insurer rejected his claim on the grounds that the life assured had withheld correct information regarding her health at the time of effecting assurance with them.

The complainant Sri. L. Vellaichamy was not present for the hearing. The contents of the letter were that he had approached the Dindigul Branch Office II for death benefits under the policy but his claim was denied on the plea that the bills settled to Dr.Rai Memorial Medical Centre, Chennai included a bill dated 22.2.2002 indicating pre-proposal illness. The complainant had submitted a certificate obtained from Dr. Subramanian, of Dr.Rai Memorial Medical Centre, which has stated that the late Mrs. Muthulakshmi was a tongue cancer patient, and had undergone treatment in their hospital from 25.10.2002 to April 2003 for external radiation and chemotherapy under Dr. Krishnan. During the deceased life assured stay in the hospital, she had undergone lab investigation on 20.2.03, which had been wrongly mentioned in the receipt as 22.02.02.

The Insurer stated that the deceased Life Assured had taken treatment for tongue cancer at Dr.Rai Memorial Medical Centre, Chennai from 11.10.2002 to 17.10. 2002 with external radiation and chemotherapy and paid lab charges on 22.2.2002 at Dr. Rai Memorial Medical Centre, Chennai, which was prior to proposal. Since the Lab Charges bill showed a date prior to proposal i.e. 22.02.2002 and the claim Form 'B' also substantiated that the deceased life assured was suffering from this illness for more than 4 years, hence, the Insurer had repudiated the claim on the ground that the life assured had failed to disclose about his illness at the time of proposal. Insurer contended that they have repudiated the claim based on the date mentioned in the Lab Charges bill and in the Claim Form 'B' Q. No.5 (f), it was answered as 4 years and

contended that the deceased life assured would have been aware of her illness even prior to the proposal.

Dr.Rai Memorial Medical Centre, Chennai is a reputed centre that treats cancer patients and so the Insurer had repudiated the claim as the life assured had got some tests done there which was proved by the receipt of Dr.Rai Memorial Medical Centre dated 22.02.2002. However, as the complainant has now produced proof that it was on 20.02.2003 that the lab tests were done and the first consultation at Dr.Rai Memorial Medical Centre was done only in October 2002, the forum finds that whatever evidences for Cancer treatment the Insurer possesses pertain to post-proposal period, which are not relevant for repudiation of the claim.

The complaint is allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.04.2590

Sri.S.Sankarguru

Vs

Life Insurance Corporation of India

Award Dated : 29.03.2007

Smt.S.Ilavarasi submitted a proposal for life insurance on 27.02.2004 to Aruppukottai Branch of LIC of India. The Insurer had issued her a policy for Rs.50,000/- under their New Janaraksha plan. Under this plan age proof is self-declaration made by the life assured. Smt.S.Ilavarasi had named her minor son as the nominee. Smt.S.Ilavarasi died on 03.04.2005. Sri S.Sankaraguru, her husband and the Appointee to the minor nominee preferred his claim with the Insurer. The Insurer rejected his claim on the grounds that the life assured had withheld correct information regarding her health at the time of effecting insurance. His appeal to the Insurer's higher office was also not fruitful.

The complainant Sri. S. Sankaraguru was not present for the hearing. This Forum read out his letter. He has stated that he was a poor farmer and an illiterate. He did not know the meaning of the policy. His wife died on 03.04.2005 due to cancer. On submission of the claim papers, he came to know that his claim was repudiated. He did not want to blame anybody for repudiation of his claim. However, he requested this Forum to direct the Insurer to repay at least the premium amount already paid by them, which could be utilized for his son's treatment of kidney problem. The Insurer stated that they have repudiated the claim on the grounds that the deceased life assured failed to disclose at the time of proposal that she was suffering from Cancer for 3 years and had taken treatment in M/s Mohan Nursing Home, where she underwent Chemotherapy, supportive treatment and blood transfusions for Cancer from 26.11.2003 to 18.06.2004. The Insurer stated that the deceased life assured had suppressed this information in the proposal form.

Here the Insurer had proved with medical evidence that the life assured had been suffering from cancer and also aware of the disease in 2003 itself (prior to proposal date). Thus by suppressing the true state of her health the life assured had misguided the Insurer in wrongly issuing the policy. Had the life assured informed the real state of her health, the Insurer's decision would have been different. The life assured's suppression had deprived the Insurer a fair chance of evaluating the risk correctly.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.01.2598

Smt.M.Periakkal
Vs
Life Insurance Corporation of India

Award Dated : 29.03.2007

Sri P.Muniappan submitted a proposal for life insurance on 09.09.2000 and 07.09.2002 to LIC of India, City Branch 16 of Chennai Division I. The Insurer issued him the policies numbered 713186124 and 713519726 for a sum assured of Rs.5 Lakhs each, under plan nos.112 and 151 respectively. Sri P.Muniappan died on 11.07.2004 due to cardiac arrest. Smt. M.Periakkal, wife and nominee under the policies preferred her claim with the Insurer. The Insurer rejected her claim on the grounds that the life assured withheld material information pertaining to his health.

The complainant stated that her husband was engaged in the building contract work along with his father. She added that her husband had been to Trichy to attend a function and after that he went to her father's house where he died. They were told that he had died due to heart attack. When questioned whether he had undergone surgery at Saveetha Dental College Hospital, she admitted that the life assured had undergone surgery at the hospital in 2002. She admitted that the arrangement of his teeth would not be proper and to correct the same, surgery had been performed. She said that otherwise he did not have any other illness. When questioned whether her husband had undergone any surgery prior to 2002 she said that they were married in 1996 and for the first time he underwent surgery only in 2002. When questioned about the past history mentioned in the case sheets of Saveetha Dental College Hospital for the surgery in 2002 where it has been mentioned that he had undergone 7 surgeries earlier in various hospitals, she denied the same. Her father-in-law and father of the deceased life assured, who accompanied her to the hearing, admitted that earlier his son had undergone surgeries twice where even grafting was done.

The Insurer stated that they had obtained clear evidence that the life assured underwent TMJ surgery in the year 1997 for Ankylosis at Saveetha Dental College and Hospital. They had produced a letter from Saveetha Dental College where it has been mentioned that the life assured had undergone surgical treatment for Ankylosis of TMJ twice in their institution in 1997 and 2002. They had also obtained the case sheets pertaining to his treatment in 2002, where under the past history, details of surgeries undergone by the patient has been mentioned. She said that Ankylosis meant restricted opening of mouth. He had not disclosed the details of the surgeries in the proposal forms of the two policies.

It is therefore evident that the life assured had undergone a series of operations to set right his facial deformity. The doctor's noting in 2004 indicate that the repeated operations had a bearing on his health. By replying in the negative to the relevant questions in both the proposals the life assured had denied the Insurer a chance of calling for the hospital reports, test reports and other special reports. The Insurer underwrote the risk without full information. The insurer had proved with medical evidence the relevance of suppression.

The Complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.04.2572
Smt.H.Hameela Begum

Vs
Life Insurance Corporation of India

Award Dated : 29.03.2007

Sri J. Hussain Mohammed submitted a proposal for life insurance on 15.09.2003 to Tirunagar Branch of Madurai Division of LIC of India. The Insurer issued him a Jeevan Surabhi policy for Rs.1 Lakh. Sri J.Hussain Mohammed died on 13.09.2005. Smt. H. Hameela Begum, his wife and nominee under the policy, submitted her claim papers to the Insurer. The Insurer rejected her claim on the grounds that the life assured had withheld correct information regarding his health at the time of effecting insurance.

In the hearing the complainant stated that her husband had itching in his fingers for the first time during May, 2004. Later he had also breathing problem from 2005. They used to consult Dr.Kamaludeen, their family doctor, for all types of illness of their family members like cough, cold, fever etc Dr.Kamaludeen referred her husband to Dr.Vivekanandan who was a specialist. The first consultation with Dr.Vivekanandan was in the clinic of Dr.Kamaludeen and subsequently in Dr.Vivekanandan's clinic. They had also taken treatment from Dr.Jagannathan. He was not cured even after treatment in the Government Hospital, Madurai. He died at home. She denied that her husband was suffering from either skin disease or lung disease prior to proposing for this insurance policy. She was not aware of the contents of the form.

The Insurer stated as per claim form B and B1, the life assured was suffering from Interstitial Lung Disease and Peripheral Vascular Disease for the last 5 years. The Deceased Life Assured was taking treatment in Government Rajaji Hospital, Madurai 13 years back. The same was revealed by the life assured himself as per the Doctor's statement. As per Claim Inquiry Report the life assured was suffering from the disease for the last 5 years. When questioned about the reporting of the Doctor after the statement made by the complainant that the doctor was probably displeased with them and hence made such statements, the representatives of the Insurer said that they never forced the claimant to get the forms from that doctor. On their own will they had obtained the claims forms B and B1 filled by Dr.Kamaludeen

A perusal of the documents revealed that the deceased life assured faulted in not revealing the pre-proposal illness when he took insurance. At the same time the Insurer has rejected the claim purely on the data available in Claim forms B B1 without getting any material or documentary evidences. To reject a claim the Insurer should have definite and clinching evidences. Hence the repudiation of the complainant's claim by the Insurer in its entirety was not justified and to be fair and equitable to both the parties, an amount equal to Rs.30,000/- was allowed to the complainant.

The complaint is partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.03.2616
Sri.P.Sakthikumar

Vs

Life Insurance Corporation of India

Award Dated 29.03.2007

Smt.S.Muthulakshmi had obtained a life insurance policy from Pollachi Branch II of LIC of India on 15th March 1999. The policy numbered 762066308 for a sum assured of Rs.50,000/- was issued under the Insurer's Money Back Plan with accident cover. Smt.S.Muthulakshmi died on 27.09.2005. Sri P.Sakthikumar, her husband and the nominee under the policy, submitted the claim papers to the Insurer. The Insurer paid the basic sum assured with bonus of Rs.70,700/- on 18.01.2006 but rejected the accident benefit on the grounds that as per policy condition 10(6)(iv) the accident benefit is not payable since travelling in a motorcycle by 3 persons is against the law.

In the hearing, Sri P.Sakthikumar, Husband of Smt.S.Muthulakshmi, the deceased life assured and also the complainant under Policy No.762066308 stated that they received a message that his sister's son passed away. From Kinathukadavu, (place of their residence) they proceeded to attend the funeral. On their way to his sister's place, they picked up Smt. S.Muthulakshmi's brother-Sri S.Muruganandam. Since there were not enough buses due to construction of Ondipudhur fly over they decided to take Sri S.Muruganandam also with them. Sri P.Sakthikumar was driving his bike- TVS Victor. Next to him his brother-in-law was sitting and his wife was sitting after her brother. It was dark being night and after nearly 2 Kms. of drive he tried to avoid a Coimbatore to Pollachi state transport bus coming on the opposite direction. His bike fell in to a ditch and his wife lost balance and fell down. She suffered from injuries and immediately they rushed her to hospital where she died. The decision on the case came to an end recently and the judgement was given to the RTO and his licence was also released. He was asked to produce a copy of the judgement from the court and the original licence for verification.

The insurer stated that since the accident was caused due to breach of law they rejected the claim for Double Accident Benefit under policy condition 10(b). He read out the policy condition 10(b). He said that on the basis of FIR and PIR they had concluded that it was breach of law since 3 persons had travelled in the bike, whereas only 2 persons were allowed to travel

In this instance even though the life assured was only a pillion rider she was travelling as one of the three passengers on a motor cycle (which is permitted to carry only 2 passengers as per the Motor Vehicle Act) which tantamount to breach of law. Therefore it is evident that the accident had been due to a breach of law and the Insurer was correct, according to the conditions of their policy, in rejecting to pay the accident benefit.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.03.2615

Sri.S.Muruganandam

Vs

Life Insurance Corporation of India

Award Dated : 29.03.2007

Smt.S.Muthulakshmi had obtained a life insurance policy from Pollachi Branch II of LIC of India on 15th March 1999. The policy numbered 761107384 for a sum assured of Rs.25000/- was issued under the Insurer's Endowment Plan with accident cover. Smt.S.Muthulakshmi died on 27.09.2005. Sri S.Muruganandam, her brother and the nominee under the policy submitted the claim papers to the Insurer. The Insurer paid the basic sum assured with bonus of Rs.41980/- on 07.01.2006 but rejected the accident benefit on the grounds that as per policy condition 10(6)(iv) the accident benefit is not payable since travelling in a motorcycle by 3 persons is against the law.

In the hearing, Sri P.Sakthikumar, Husband of Smt.S.Muthulakshmi, and brother-in-law of Sri S.Muruganandam,(brother of the deceased life assured) were heard separately. Sri P.Sakthikumar the complainant under Policy No.762066308 stated that they received a message that his sister's son passed away. From Kinathukadavu, (place of their residence) they proceeded to attend the funeral. On their way to his sister's place, they picked up Smt. S.Muthulakshmi's brother-Sri S.Muruganandam. Since there were not enough buses due to construction of Ondipudhur fly over they had decided to take Sri S.Muruganandam also with them. Next to him his brother-in-law was sitting

and his wife was sitting after her brother. It was dark being night and after nearly 2 Kms. of drive he had tried to avoid a Coimbatore to Pollachi state transport bus coming in the opposite direction. His bike fell in to a ditch and his wife lost balance and fell down. She suffered from injuries and immediately they rushed her to hospital where she died. S.Muruganandam, complainant under policy no. 761107384, agreed to all the above details. He only added that their cell phone had started ringing and his sister was trying to attend the call.

The insurer stated that since the accident was caused due to breach of law they had rejected the claim for Double Accident Benefit under policy condition 10(b). He read out the policy condition 10(b). He said that on the basis of FIR and PIR they had concluded that it was breach of law since 3 persons had travelled in the bike, whereas only 2 persons were allowed to travel

In this instance even though the life assured was only a pillion rider she was travelling as one of the three passengers on a motor cycle (which is permitted to carry only 2 passengers as per the Motor Vehicle Act) which tantamount to breach of law. Therefore it is evident that the accident had been due to a breach of law and the Insurer was correct, according to the conditions of their policy, in rejecting to pay the accident benefit.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.06.2641
Sri.S.Arivoli

Vs

Life Insurance Corporation of India

Award Dated : 30.03.2007

Smt.K.Mala had obtained a policy from Mannargudi Branch of LIC of India after submitting a proposal on 30.03.2005. The Insurer issued her a policy for one lakh under their Endowment Plan. Smt.K.Mala had to pay a quarterly premium of Rs.776/- for 34 years. Smt.K.Mala died on 10.11.2005 due to Respiratory failure. Sri S.Arivoli, her husband and nominee under the policy, preferred the death claim with the Insurer. The Insurer repudiated his claim on the ground that the life assured had withheld material information regarding her health at the time of effecting insurance with them.

In the hearing the complainant stated that he was working as a Chemistry Professor in Government Arts College, Mannargudi. He was married at the age of 28. His wife was 22 years old at that time. They waited for one year and since she did not conceive, they started consulting doctors and started treatment for infertility. A Gyneacologist, had advised abdomen scan. From the scan it was found that his wife had small cysts and it was not considered as a problem. The complainant was very clear that his wife was well and had been consulting doctors for her infertility before proposing for insurance. After the proposal only the ovarian cancer, removal and treatment had commenced. According to the insurer the life assured had been on treatment since 1997 which was not disclosed at the time of proposing for life insurance.

In this instance the life assured had been on treatment for infertility and also had cysts in her ovary and had symptoms of severe stomach pain for one year which was before proposing for insurance. However none of these relevant details were mentioned in the proposal for insurance. This led the Insurer to wrongly issue her the policy under normal rates.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.06.2603
Sri M.Narayanasamy

Vs

Life Insurance Corporation of India

Award Dated : 30.03.2007

On 05.11.2003, Sri N.Kannan, aged 23 years, submitted a proposal for life insurance to Thiruvavarur Branch of LIC of India. The Insurer issued him a policy under their Money Back plan for Rs.1 Lakh. Sri N.Kannan had to pay the yearly premium of Rs.6249/- for 20 years. Sri N.Kannan died on 02.06.2005 due to septicemia. Sri M.Narayanasamy, his father and nominee under the policy, preferred his claim with the Insurer. The Insurer repudiated the claim on the ground that the life assured had not disclosed in the proposal for insurance the treatment he had taken for Chronic Renal Failure in Apollo Hospital, Chennai.

The complainant's main argument was that the deceased life assured has written various exams in the past 10 years. He was working for M/s BSNL, Thiruthuraiipoondy branch from 01.04.2002. The deceased life assured developed kidney problem and had got treated for the same. After this he was perfectly normal and therefore he had not mentioned it in the proposal.

The Insurer rejected the claim as they had received details from M/s Apollo Hospital, Chennai that the deceased life assured had been suffering from Chronic Renal Problem from 2000 and had taken treatment in their hospital. The non-disclosure led the Insurer to wrongly issue the policy under normal rates.

It was therefore evident that though the life assured had recovered from the renal failure that occurred in the year 2000, he finally had to undergo renal transplant as his kidney functions had deteriorated. The relevant information that he had suppressed in the proposal for insurance dated 05.11.2003 misled the Insurer to wrongly issue the policy. As the Insurer had proved with medical evidence that the life assured had suppressed material information the Forum found no justification in interfering with the Insurer's decision.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.01.2671
Smt. H. R. Kalavathy

Vs

Life Insurance Corporation of India

Award Dated : 30.03.2007

Sri H.R.Sudalaimani aged 24 years submitted a proposal for life insurance to City Branch 10 of Chennai Division I of LIC of India on 07.01.2003. The Insurer issued him a policy numbered 713584544 for a sum assured of Rs.1 Lakh. Sri H.R.Sudalaimani died on 05.12.2005 due to Cardiogenic Shock, secondary to Acute Myocardial Infarction. Smt.H.R.Kalavathy, his mother and nominee under the policy, preferred her claim with the Insurer. The Insurer rejected her claim on the ground that the life assured had withheld material information regarding his health at the time of effecting insurance with them.

In the hearing the complainant stated he agent simply took signature on the proposal form and they were not aware that details regarding the health condition had to be disclosed in the proposal form. The agent had taken the proposal and cheque sometime in November 2002 itself and the policy was completed only in January 2003. she however had no proof to substantiate this claim. She said that her son had first complained of stomach pain in December 2002. Her son underwent some tests, scans etc., and it was confirmed that he had kidney stones. She said that her son did not avail any treatment before submitting the signed proposal form to the agent. The agent was responsible for the delayed submission of the proposal form.

The Insurer stated that they repudiated the claim on the ground that the assured had failed to disclose the details of his pre-proposal treatment for renal calculus. He had undergone surgery on 15.01.2003. The ultrasound of abdomen taken at Vignesh Scans on 12.12.2002 confirmed that the assured had renal calculi in the upper calyx of right kidney and middle calyx of left kidney. The assured had undergone tests at Bhabha X-Ray Institute on 16.12.2002 according to which there was evidence of bilateral renal calculi and right distal urethral calculus with partial obstruction in the right collecting system by the distal urethral calculus. . Had he disclosed that he had renal stones they would have called for special reports along with Kidney questionnaire. Accordingly they would have underwritten and the decision would be either to postpone or to decline. The Insurer argued that the life assured was a diploma holder and not an uneducated person to just sign without reading the contents of the proposal form.

It was therefore evident that the life assured was not in good health at the time of proposing for insurance. The life assured by suppressing the material information regarding his health had deprived the Insurer a chance of correctly assessing the risk.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.02.2648

Smt.V.Sarala
Vs

Life Insurance Corporation of India

Award Dated : 30.03.2007

Shri V.Suresh Babu had submitted a life insurance proposal dated 30.03.2005. The policy numbered 717640218 with date of commencement as 28.03.2005 from City Branch 12 of LIC of India, Chennai Division II for a sum assured of Rs.30,000/- was issued under Table 91- New Janaraksha with accident cover. Shri V.Suresh Babu died on 13.05.2005 in a road accident. Smt.V.Sarala, his mother and the nominee under the policy, submitted the claim papers to the Insurer. The Insurer paid the basic sum assured with bonus of Rs.30,561/- but rejected the accident benefit on the grounds that the deceased life assured had been under the influence of alcohol at the time of accident.

A perusal of records established that the LA had been under the influence of alcohol at the time of the accident. The complainant's argument that he was not driving the vehicle is not a valid reason to pay the accident benefit as the benefit is forfeited if intoxicated. The insurer reproduced relevant portion of the medico-legal manual. As per the manual if the blood alcohol concentration was between 100 to 300 mg% the person would have some mental confusion, emotional instability, loss of critical judgement, impaired memory, sleepiness, slowed reaction time, loss of muscular coordination, staggering gait, marked mental confusion, exaggeration of emotions, dizziness, decreased pain response, disorientation and thickened speech. The life

assured must have had all the effects, which resulted in the accident, and hence they rejected the accident benefit.

A perusal of the PMR confirms that the life assured was intoxicated at the time of accident. The pertinent policy condition reads as- "The Corporation shall not be liable to pay the additional sum referred in (a) or (b) above if the disability or death of the Life Assured shall be caused by intentional self-injury, attempted suicide, insanity or immorality or when the life assured is under the influence of intoxicating liquor, drug or narcotic." The Forum did not wish to interfere with the policy conditions.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.02.2646

Smt. A.Jyothi

Vs

Life Insurance Corporation of India

Award Dated : 30.03.2007

Sri M.Anandan submitted a proposal for life insurance on 09.07.2003 to Gummidipoondi Branch, Chennai Division II of LIC of India. The Insurer issued him a New Janaraksha policy for Rs.50,000/-. Sri M.Anandan died on 20.01.2004. Smt.A.Jyothi, his wife and nominee under the policy, submitted her claim papers to the Insurer. The Insurer repudiated her claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting insurance.

In the hearing the complainant stated that her husband late Shri. M. Anandan was a coolie and an illiterate. Her husband was hale and healthy before his death. On being questioned about her husband's hospitalization at M/s. Stanley Govt. Hospital in the year 1982 and the reports of M/s Pavithra hospital during the year 2000, she replied that he was admitted in the above said hospitals for headache. She stated that he was having fever with shivering on the date of his death and he had experienced sweating with breathlessness. She contended that he died only due to heart attack and it was sudden and an unexpected one. The Insurer stated that as per the medical records available it was evident that the deceased life assured had been hospitalized in the year 1982 for 60 days and he was diagnosed to have Tuberculosis, Jaundice, Anaemia and giddiness. The deceased life assured was also hospitalized during the year 1991, 1992, 1993 and 1999 with complaints of headache. As per the Stanley Govt. Hospital Report, the deceased life assured was diagnosed to have sinusitis and Secondary Depression during the year 1999. But the deceased life assured had failed to mention the same in the proposal form signed during the year 2003. The Insurer also stated that had that been disclosed they would not have extended the deceased life assured with this policy or they would have arranged for detail medical examination. Hence, they have repudiated the claim due to suppression of material facts in the proposal form.

Keeping in mind the economic and educational background of the life assured it would have been possible that the details of illness (in the absence of specific questions) had skipped the life assured's mind. However as pre-proposal illness was present an amount equal to Rs.10,000/- was allowed.

The complaint was partly allowed.

Delhi Ombudsman Centre
Case No. : LI/DL-III/74/05-06

Smt.Shakuntala

Vs
Life Insurance Corporation of India

Award Dated : 25.10.2006

Smt. Shankuntala lodged a complaint with this Forum on 25.04.2005 that her husband late Shri Jai Bhawan Sharma died on 29.12.2003. His death claim has been repudiated by LIC of India. She lives in village and is not an educated lady. She has no source of income. She has requested this Forum to refund whatever money her husband had paid towards premium against policy No.330345506 so that she could look after herself with the money in case the claim is not paid.

LIC of India, vide their letter dated 09.05.2005, informed this Forum that the deceased life assured took policy on 31.03.1998 for sum of Rs.25000/- at half yearly premium of Rs.973/- with Smt.Shakuntla as the nominee. The life assured, Shri Jai Bhagwan Sharma, died on 29.12.2003 and intimation was received by them on 13.02.2004. The nominee under the policy was issued the necessary forms and the same were deposited by her. The claim was repudiated on 27.07.2004 on grounds of concealment of material facts regarding his health at the time of revival of the policy. As per their investigation into the claim, they have indisputable evidence to prove that life assured was suffering from Pulmonary Tuberculosis and Bronchial Asthma prior to date of revival. The deceased did not disclose these facts in his Declaration of Good Health(DGH) for the revival of policy. It is evident that these material facts were deliberately concealed to revive the policy insurance fraudulently. They have conveyed the repudiation of the claim on 27.07.2004 to Smt. Shakuntala.

At the time of hearing, Smt. Shakuntala contested that her husband was not suffering from any disease and he died in the hospital because of chest pain. She pleaded to this Forum that her claim maybe paid by LIC of India. LIC of India, at the time of hearing, contested that late Shri Jai Bhagwan Sharma had concealed material facts that he was suffering from Pulmonary Tuberculosis and Bronchial Asthma at the time of revival of the policy and they have rightly repudiated the claim.

On enquiry by this Forum whether any medical examination was done at the time of taking the policy or revival of the policy, the representative of LIC of India on examination of the file revealed that medical was done on both the occasions – at the time of taking the policy as well as at the time of revival. On examination of the Question No.9 of Medical Examiner's Confidential Report – Are there any symptoms or signs suggesting abnormality or disease of the Respiratory system? The Doctor(Sqn.Ldr.)S.K.Garg mentioned NO in both the reports.

In view of the medical examination done at the time of taking the insurance policy as well as at the time of revival, there being no adverse medical comments, therefore, I am not in agreement with the observations made by LIC of India, vide their letter dated 09.05.2005, addressed to this Forum that late Shri Jai Bhagwan Sharma was suffering from Pulmonary Tuberculosis and Bronchial Asthma prior to the date of revival.

I, therefore, pass the Award that Smt.Shakuntala be paid death claim and other benefits accrued under policy No.330345506 along with 8% interest from 01.03.2004 till the date of payment is made after deducting the amount towards the loan, if any, taken under the policy by the deceased.

The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

Delhi Ombudsman Centre
Case No. : LI/JD-410

**Smt.Priyanka Mewada
Vs
Life Insurance Corporation of India**

Award Dated : 31.10.2006

Smt. Priyanka Mewada lodged a complaint with this Forum on 21.02.2005 wherein she stated that her husband late Shri Ghanshyam Mewada had died one and a half years back. She is a widow and has been going to the office of LIC of India at Pali and Jodhpur. She has also written five letters to the Delhi Office but her claim has not been settled by LIC of India. What will happen to an ordinary man under these circumstances. She further stated that she would be grateful if the claim amount is paid to her within 15 days from the receipt of this letter.

LIC of India, vide their letter dated 18.02.2004 addressed to Smt. Priyanka Mewada that her husband had not paid the premium which was due on 10.10.2000 as a result of which the policy lapsed. The lapsed policy was revived by him on 30.04.2002 on the basis of Declaration of Good Health submitted by him. He had declared in his declaration that

QUESTION

ANSWER

2. Since the date of your proposal for the above mentioned policy:
- a) Have you ever suffered from any illness/disease requiring treatment for a week or more ? NO
- b) Did you ever undergo ECG,X-ray,Screening, Blood,urine or stool examination ? NO
4. Are you at present in sound health ? YES

LIC of India has mentioned that they have sufficient proof that late Shri Ghanshyam Mewada was suffering from Chronic Cirrhosis of Liver which was not declared by him at the time of revival of the policy, a fact which he had concealed while declaring his health in DGH Form. LIC of India has repudiated the claim and has forfeited the premium paid by late Shri Ghanshyam Mewada.

LIC of India, vide their letter dated 23.03.2005, informed this Forum that the claim under policy NO.100605463 was not payable because as per BHT of Goyal Hospital, Jodhpur dated 28.11.2002, that he was a known case of Cirrhosis of Liver. The policy was revived on 30.04.2002. He was sick before the revival of the policy. On the basis of BHT, an opinion was taken from DMR who in his report stated that late Shri Ghanshyam Mewada was a chronic alcoholic who was continuously drinking for the last 5 years as a result of which he was a case of Chronic Cirrhosis of Liver. DMR also stated that he was a patient of Portal Hypertension. As such, the illness was before the revival of the policy.

At the time of hearing on 27.02.2006, this Forum has enquired from the representative of LIC of India whether they had conducted any enquiry from the employer of late Shri Ghanshyam Mewada ? Whether he had taken any leave ? Further they should find out whether he was admitted in any hospital in Pali prior to the revival of the policy .

LIC of India, vide their letter dated 20.07.2006 informed the Forum that no record was being maintained for leave taken by late Shri Ghanshyam Mewada by his employer. They further enquired from local Banger Hospital's surgical ward, who has informed that Shri Mewada was not admitted from 1998 to 2004.

On examination of the various papers submitted by LIC of India, it is observed that late Shri Ghanshyam Mewada was first admitted in Goyal Hospital and Research Centre,

Jodhpur on 11.11.2002 and was discharged on 06.12.2002. In the Discharge summary of the hospital, it is mentioned that the patient Shri Ghanshyam Mewada was a known case of Cirrhosis of Liver and a chronic alcoholic. It is evident that late Shri Ghanshyam Mewada who revived the policy on 30.04.2002 was a patient of Cirrhosis of Liver which was not disclosed in the DGH Form filled in by Shri Ghanshyam Mewada, which amounts to non-disclosure of material fact. He had a previous history of Cirrhosis of Liver and was an acute alcoholic. This fact has been confirmed at the time of admission at Banger Hospital on 10.11.2003 where it is mentioned that late Shri Ghanshyam Mewada was a known case of Cirrhosis of Liver. It is further confirmed by Dr. Arvind on 11.11.2003 that as per the history and clinical findings, it is a known case of chronic alcoholis, alcoholic liver disease haemetiasis-blood loss-ARF. Therefore, it is confirmed that late Shri Ghanshyam Mewada has wrongly declared about his health that he has been enjoying good health at the time of revival of the policy. It is in contrary to the medical history at the time of admission in Goyal Hospital, Jodhpur where it is mentioned that he was a patient of Cirrhosis of Liver and chronic alcoholic.

I, therefore, uphold the decision of Life Insurance Corporation of India repudiating the claim of Smt. Priyanka Mewada.

There is no further relief to be granted to the complainant.

Complaint is disposed of finally.

Delhi Ombudsman Centre

Case No. : LI/BK-335

Smt.Koshalya Devi

Vs

Life Insurance Corporation of India

Award Dated : 30.11.06

Smt. Koshalya Devi lodged a complaint with this Forum on 14.12.2004 that she had not received the payment during the last 4 years after the death of her husband. LIC of India had repudiated the claim on 30.03.2002 on the grounds that her husband used to consume Alcohol which is not true. If her husband was sick why did LIC of India issue a policy to him. When LIC of India has taken the responsibility to pay for the death of her husband they cannot be absolved of their liability.

The representative of LIC of India during the hearing said that LIC of India has repudiated the claim vide their letter dated 30.03.2002, on the basis of suppression of material fact in the proposal form. He informed the Forum that the life assured was suffering from Alcoholic lever disease and he was addicted to alcoholism.

The complainant informed the Forum that the deceased has not taken any leave from the office and was not alcoholic.

On examination of the papers submitted and after hearing both the parties, it is observed that LIC of India had obtained a certificate from the employers of late Shri Sriram Meena wherein the leave record for the year 1997 to 2000 was presented and on examination of the same, it was observed that late Shri Sriram Meena had only taken 5 days sick leave during the last 4 years.

He was admitted in the Railway Hospital on 30.11.2001 where he was advised to be referred to Civil Hospital, Hanumangarh and as per the BST NO.116861 dated 30.01.2001 of Government hospital, Hanumangarh, it is mentioned "Known alcoholic since 30 years" on the basis of which LIC of India has repudiated the claim for non-disclosure of material fact in the proposal form. It is evident from the leave records that

Shri Sriram Meena had not taken any sick leave except for 5 days and other leaves were taken for domestic work. As such it can be presumed that he has been consuming Alcohol for the last 30 years and I do not consider it material for LIC of India to repudiate the claim since he has been performing his duties.

I, therefore, pass the Award that Smt. Koshalya Devi be paid the sum assured along with other accrued benefits under the policy together with 8% interest from 01.02.2002 till the time payment is made.

The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

Delhi Ombudsman Centre
Case No. : LI/BK-419
Smt.Bismilla
Vs
Life Insurance Corporation of India

Award Dated : 30.11.06

Smt. Bismilla had lodged a complaint with this Forum 08.03.2005 that her son late Shri Samsuddin had taken a life insurance policy on 28.06.2001 for Rs.25000/- and the life assured has expired on 30.04.2004. She had completed all the formalities and was advised by LIC of India on 15.02.2005 that her claim has been repudiated. The reasons for repudiation were not valid. She has requested the Forum to settle the claim.

LIC of India, vide their letter dated 17.01.2006 informed the Forum that during their investigation, it was revealed that the life assured was handicapped at the time of proposal. He was not in a position to move. The deceased life assured had applied for Handicap Pension from BDO, Panchayat Samittee, Nohar in the year 1999 which has been confirmed by a letter from the Panchayat Samittee dated 09.11.2004. The deceased life assured had suppressed material information regarding his health and LIC of India had repudiated the claim on the grounds of concealment of material fact.

This Forum has written a letter to LIC of India to get a confirmation from the State Government whether the deceased life assured, Shri Samsuddin, was getting any pension from the State Government and any disability certificate was enclosed with the application with the State Government.

At the time of hearing, the representative of Smt. Bismilla disclosed that late Shri Samsuddin was not getting any pension from the State Government. However, family pension was being given by the employer of his father.

LIC of India, at the time of hearing, contested that the life assured had suppressed material information regarding his health since he was a handicapped for the last 2 years before the date of proposal and was not in a position to move. He had not disclosed this material information in the proposal form submitted with the LIC of India. He had also applied for pension with the State Government. On enquiry by this Forum that since LIC had received the Agent's Confidential Report whether it was not the duty of the agent to disclose that late Shri Samsuddin was handicapped which he has not disclosed under Column III of his report . What action LIC of India had taken against the agent ? The representative of LIC of India informed the Forum that they had not taken any action against the agent. Further, on enquiry from the representative of LIC of India whether any disability certificate was obtained, the representative had no knowledge of the same.

On examination of the papers submitted, it was observed that the life assured, Shri Samsuddin, was a handicap person as per the enquiry conducted by the LIC of India.

He had concealed the material fact that he was handicap. However, the agent in his Confidential Report has not mentioned any disability of the life assured which shows that the concealment of material fact by the life assured was not material since in the confidential report, the agent has not given the true and fair picture of the life assured to the Corporation.

I am not in agreement with the decision of Life Insurance Corporation of India in repudiating the claim of Smt. Bismilla. Since it is the duty of the agent to give true and fair picture of the life assured so as the risk could be under written properly. Further, LIC of India has not taken any action against the agent. LIC of India has also not tried to verify whether he got any pension from the State Government given to handicapped persons nor they have been able to produce any disability certificate of Shri Samsuddin confirming the degree of disability.

I, therefore, pass the Award that Smt. Bismilla be paid the sum assured along with the other benefits accrued under the policy by LIC of India.

The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

Delhi Ombudsman Centre
Case No. : LI/BK-10/05-06
Shri Rupa Ram
Vs
Life Insurance Corporation of India

Award Dated : 30.11.06

The complaint was heard on 15.11.2006. The complainant, Shri Rupa Ram, was absent. He was also absent on the earlier date on 21.08.2006. LIC of India was represented by Shri K.C.Sharma, Manager(Claims).

Shri Rupa Ram had lodged a complaint with this Forum on 21.03.2005 that his mother, Smt. Mohni Devi, had taken LIC Policy No.501317047 for Rs.50,000/- from their Sujangarh Branch. After her death, he filed a claim with the LIC of India. LIC of India on 29.10.2004 repudiated the claim on the grounds that Smt. Mohni Devi was suffering from Dysphagia before taking the policy. The truth is that his mother was not suffering from any disease. She was medically examined before the proposal was accepted by LIC of India. LIC of India has accepted her proposal only after her medical examination then how can the Corporation come up with the excuse that she was not keeping good health. Their contention that she was not keeping good health is not true and baseless. He has requested the Forum to pay the claim.

LIC of India, vide their letter dated 28.11.2005, informed the Forum that they had repudiated the claim on 29.10.2004 due to concealment of material fact. The policy holder was suffering from Dysphagia before taking proposal.

At the time of hearing, the Forum raised a question that since medical was conducted in the case of Smt. Mohni Devi, how the doctor could not detect the disease of Dysphagia since she had difficulty in swallowing which should have come out on discussions with the life assured about her medial history. Even the agent has not mentioned about the disease in his report. Both the doctor and the agent have been negligent at the time of proposal being made to LIC of India.

On examination of the papers submitted by LIC of India, it is observed that as per the discharge certificate of Acharya Tulsi Cancer Hospital where Smt. Mohni Devi was admitted, it is mentioned that she was suffering from Dysphagia for the last two years. She had expired on 19.02.2004 and she had taken the insurance policy on 14.08.2003.

She was very much aware of the disease which she has not disclosed resulting in concealment of material fact. Therefore, LIC of India has rightly repudiated the claim.

I uphold the decision taken by Life Insurance Corporation of India repudiating the claim of Shri Rupa Ram under policy No.501317047.

There is no further relief to be granted to the complainant.

Complaint is disposed of finally.

**Delhi Ombudsman Centre
Case No. : LI/UP-140/05-06**

Smt.Kanaklata

Vs

Life Insurance Corporation of India

Award Dated : 30.11.06

The complaint was heard on 15.11.2006. The complainant, Smt. Kanaklata, was present. LIC of India was represented by Shri Prahlad Rai Tailer, Administrative Officer.

Smt. Kanaklata lodged a complaint with this Forum on 07.06.2005 that her late husband Shri Prakash Chandra Sharma had taken two policies No.180378317 and 181987198 from LIC of India, Dungerpur Branch. He expired on 06.04.1994. She had completed all the formalities with regard to the payment of the claim against the policies. However, she shifted to Mumbai to look after the shop. She moved her family along with children to Mumbai after completing the formalities for payment of claim with LIC of India and on the verbal assurance of her relatives and the insurance agent to look after her insurance claim but till date she has not received any amount against the above mentioned two policies. She requested the Forum to get her claims approved from LIC of India.

LIC of India, vide their letter dated 16.08.2005 informed the Forum that the details of the policies are as under:-

| Policy No. | 180378317 | 181987198 |
|--|-------------------------|--------------------------|
| 1. Date of commencement : | 28.03.1991 | 28.01.1993 |
| 2. Date of FPR : | 31.03.1991 | 31.03.1993 |
| 3. Date of Revival : | 23.04.1993 | --- |
| 4. Sum Assured : | 50000 | 50000 |
| 5. Mode : | Hly | Hly |
| 6. Instalment of premium : | Rs.1410.80 | Rs.1470.00 |
| 7. FUP : | 28.03.1994 | 28.07.1994 |
| 8. Date of Death : | 06.04.1994 | 06.04.1994 |
| 9. Cause of Death : | Lungs Cancer | |
| 10. Duration of Policy from FPR/Revival : | 11 months | 1 year 5 days 13 days |
| 11. Status of policy : | In force death reported | |

LIC of India issued a series of letter resting with letters of death claim/18B dated 29.07.1997 for submission of claim forms 3783,3784,3816 to the claimant Smt. Kanaklata Sharma. She did not comply the requirements hence the claim had not been settled. The claimant has now submitted claim form 3783(R), 3785 dated 06.07.2005.

They further needed claim forms No.3784,3816 death certificate and policy bonds for considering the death claim. They have asked the claimant to submit the documents without further loss of time.

The complainant, Smt. Kanaklata informed the Forum on 21.08.2006 that she had with great difficulty managed to get the duplicate certificates and necessary documents completed from the treating doctor.

LIC of India informed the Forum vide their letter dated 06.01.2006 that they had repudiated the claim since late Shri Prakash Chandra Sharma was suffering from fever and pleural effusion of lungs and taken treatment for Adeno Carcinoma long with pleural effusion before the date of FPR 31.03.1993 under policy No.181987198 and from the date of revival 24.03.1993 under policy No.180378317. Smt. Kanaklata was informed accordingly.

Since LIC of India could not produce the letters sent to Smt. Kanaklata, the case was adjourned for next date for LIC of India to produce the letters sent to her.

On 15.11.2006, the complaint was again heard and LIC of India produced the letters dated 21.08.1998 by Registered post under Policy No.180987198 written to Smt. Kanaklata informing her that the claim stands repudiated since the details furnished in the proposal form were incorrect as late Shri Prakash Chandra Sharma was already suffering from fever and pleural effusion of lungs which he had concealed in the proposal form. Accordingly, the claim stands repudiated for non-disclosure of material fact. Further LIC of India had also informed Smt. Kankalata vide their letter dated 21.08.1998, by Registered Post, repudiating the claim under policy No.181378317 that the declaration made in the proposal form by late Shri Prakash Chandra Sharma was incorrect. Prior to revival of policy, Shri Sharma was suffering from fever and pleural effusion of lungs. He had concealed the material fact by submitting certificate of good health. Accordingly, the claim was repudiated.

Smt. Kanaklata Sharma deposed before the Forum that she has not received the letters sent by LIC of India and she had been contacting their Udaipur Office and subsequently their Dungerpur and Sagwara Branch in this regard. She also submitted a letter to the Forum wherein she has mentioned that LIC of India officers were directed to settle the claims. This statement of Smt. Kanaklata Sharma is incorrect. The Forum only advised LIC of India to produce the letters written to Smt. Kanaklata Sharma in the year 1998 repudiating the claim and her letter is irrelevant and baseless. She pleaded the Forum that she should be paid her claim by LIC of India.

LIC of India informed the Forum that they had sent letters under both the policies by registered post to Smt. Kanaklata Sharma on 21.08.1998 on the basis of medical attendant certificate of Dr.J.C.Kothari wherein he has mentioned that late Shri Prakash Chandra Sharma was suffering with the disease of fever and pleural effusion of lungs and taken treatment for Adeno Carcinoma in the hospital on 01.04.1993. Policy No.180378317 was revived on 23.04.1993 and the first premium receipt was 31.03.1993. Late Shri Prakash Chandra Sharma was very well aware of the disease as a result of which he died on 06.04.1994. He had concealed the material fact in the proposal form submitted to the Corporation. LIC of India has rightly repudiated the claim.

On going through the papers and after hearing both the parties, it is observed that Shri Prakash Chandra Sharma died on 06.04.1994 and LIC of India had repudiated the claim on 21.08.1998. As per the RPG Rules,1998, only complaints which are less than one year old should be entertained and LIC of India having repudiated the claim in the year 1998, the complaint was time barred. However, this Forum has examined the

on life of her husband Late Shri. Ram Charan Jatav under policy No.191482116. Smt. Kakayi Devi is the nominee under the policy.

The representative of Life Insurance Corporation of India, Divisional Office-Jaipur, during the hearing on 14.11.2006, informed vide letter dated 05.07.2006 that the policy was in a lapsed condition. Yearly Renewal Premium due on 10.4.1998 was not paid to Life Insurance Corporation of India. Life Assured expired on 16.09.2003. Risk under the policy was not covered as per terms and condition of policy contract. Policy has not acquired paid up value. Policy commenced with effect from 10.04.1997 and only first yearly premium due on 10.04.1997 was paid . Death Claim is not payable under the Policy and I uphold the decision of Life Insurance Corporation of India.

There is no further relief to be granted to the complainant.

Therefore, the complaint is disposed of

Delhi Ombudsman Centre
Case No. : LI-JD/214/05-06
Sh. Manohar Lal
Vs

Life Insurance Corporation of India

Award Dated : 27.11.06

My office has received a complaint on 02.08.2005 from the complainant Sh. Manohar Lal that the Life Insurance Corporation of India, Divisional Office-Jodhpur,, has repudiated the Death Claim on life of his mother Late Smt. Geeta Devi under policy No.10056498, on basis of suppression of material facts.

Hearing of the complaint was fixed for 14.11.2006, Shri Manohar Lal, complainant attended the hearing Shri. R.N. Meena, Manager (claims) Life Insurance Corporation of India Division Office- Jodhpur attended the hearing on behalf of Life Insurance Corporation of India.

Policy commenced with effect from 26.11.1998 under Table Term 14-18 for Sum Assured of Rs. 25000/-. The policy was revived on 28.12.1999 on the basis of declaration of Good Health and premium due Half yearly May-99 and November-99 were paid at the time of revival of Policy. Life Assured expired on 29.06.2000.

Life Insurance Corporation of India vide their letter No claim /death/ 100564980 dated 30.06.2001 has repudiated Death claim on ground that material facts regarding health of Life Assured were not disclosed on form of declaration of Good Health at the time of revival of Policy.

As per the prescription of Dr. Pratap Sancheti of Jodhpur, Life Assured Smt. Geeta Devi was suffering from the Rheumatic heart disease, Atrial Fibrillator, Mitral Stenosis since 26.09.1999.

I uphold the decision of Life Insurance Corporation of India that the death claim is not payable.

Delhi Ombudsman Centre
Case No. : LI-JD/21/05-06
Smt. Uchhab Kanwar
Vs

Life Insurance Corporation of India

Award Dated : 27.11.06

Smt. Uchhab Kanwar made a complaint to this Forum on 22.03.2005 that Life Insurance Corporation of India Jodhpur Division, has not paid Death Claim under Policy No. 102911549. Policy was on the Life of Shri. Laxman Singh who was the son of the complainant.

Hearing of the complaint was held on 14.11.2006 Smt. Uchhab Kanwar attended the hearing. Shri R.N. Meena Manager (claims) Life Insurance Corporation of India , Jodhpur, attended the hearing as official representative. Life Assured Shri. Laxman Singh , aged 20years expired on 27.01.2004. Policy commenced with effect from 26.12.2003. Sum assured under the Policy is Rs. 30000/-.

Life Assured expired due to congestive cardiac Failure in M.G. Hospital, Jodhpur on 27.01.2004, within one month from taking the Insurance Policy. Life Insurance Corporation of India , vide their letter dated 15.02.2005 has repudiated the claim on the ground that the material information regarding health was not mentioned correctly in the proposal form at the time of taking the Insurance Policy.

As per the record of M. G. Hospital, Jodhpur, BHT No. 1233/E dated 26.01.2004, duration of previous illness has been mentioned as 10 years since early childhood.

I uphold the decision of Life Insurance Corporation of India vide their letter dated 15.20.2005, repudiating the Death Claim.

Complaint is disposed of.

Delhi Ombudsman Centre

Case No. : LI-JP/72/05-06

Smt. Santara Devi

Vs

Life Insurance Corporation of India

Award Dated : 27.11.06

Smt. Santara Devi made a complaint to this Forum on 25.04.2005 that Life Insurance Corporation of India Jaipur,, Division, has not paid Death Claim under Policy No. 191785035 on the Life of her husband Shri. Dev Karan Mali .

Hearing of the complaint was held on 14.11.2006 Shri Ram Avtar Mali relative of the complainant attended the hearing. Shri N.L. Moondra, Manager (claims) Life Insurance Corporation of India , Jaipur, attended the hearing as official representative.

Life Assured Late Shri. Dev Karan Mali, purchased Insurance Policy for Sum Assured of Rs. 25000/-. The policy commenced with effect from 28.03.2000. Insurance Policy was revived on 08.09.2003. Life Assured expired due to brain stroke on 09.09.2003 at Saudi Arabia. Life Assured was not present in India on 08.09.2003 when the policy was revived and his signatures on the Declaration of Good Health were found forged by the Hand Writing Expert. Life Insurance Corporation of India vide their letter dated 02.12.2004 repudiated Death Claim on the ground that Life Assured was not present in India and was abroad as on 08.08.2003 which is date of Declaration of Good Health and date of revival. Policy was revived with fraudulent intention by making forged signature of the deceased Life Assured on Declaration of Good Health.

I uphold the decision of Life Insurance Corporation of India vide their letter Ref No. claim/D/Rep/48/191785035 dated 02.12.2004 Ref NO: claim/D/rep./48/191785035, repudiating the Death Claim.

Complaint is disposed of.

**Delhi Ombudsman Centre
Case No. : LI-UP/211/05-06
Smt. Mangla Sreemali
Vs**

Life Insurance Corporation of India

Award Dated : 23.11.06

Smt. Mangla Sreemali has lodged a complaint on 01.08.2005 with this Forum that Life Insurance Corporation of India, Divisional Office-Udaipur has not settled Death Claim under her husband Late Sh. Manoj Shreemali under Policy No. 182591210.

The Life Insurance Corporation of India Udaipur Office, has informed during the hearing on 15.11.2006 that they have already made the payment of Rs. 298456 vide their cheque No. 352337 dated 03.03.2006. After receipt of payment the complainant has lodged the complaint to Hon'ble District Consumer Forum Udaipur vide case No. 32/06 on the same subject matter, hence complaint does not lie with the Insurance Ombudsman as per RPG rules 1998, under 13 (3) (C).

There is no further relief to be granted to the complainant.

The complaint is disposed of finally.

**Delhi Ombudsman Centre
Case No. : LI-DL-I/61/06
Smt. R. Sellammal
Vs.**

Life Insurance Corporation of India

Award Dated : 23.11.06

My office has received a complaint on 17.08.2006 from Smt.R. Sellammal, against the Life Insurance Corporation of India, Divisional Office-I, Delhi, that Death Claim of Late Sh. A. Raja under Policy No. 112380207 has not been settled by the Life Insurance Corporation of India.

Life Insurance Corporation of India, Delhi, Divisional Office-I, has informed vide their letter dated 10.10.2006 that they have already paid the Death Claim for Rs. 68182/- vide their cheque No. 343338 dated 25.07.2006.

In the circumstances, there is no further relief to be granted to the complainant. The complaint is disposed of finally.

**Delhi Ombudsman Centre
Case No. : LI-JP/72/05-06
Smt. Santara Devi
Vs**

Life Insurance Corporation of India

Award Dated : 27.11.06

Smt. Santara Devi made a complaint to this Forum on 25.04.2005 that Life Insurance Corporation of India Jaipur,, Division, has not paid Death Claim under Policy No. 191785035 on the Life of her husband Shri. Dev Karan Mali .

Hearing of the complaint was held on 14.11.2006 Shri Ram Avtar Mali relative of the complainant attended the hearing. Shri N.L. Moondra, Manager (claims) Life Insurance Corporation of India , Jaipur, attended the hearing as official representative.

Life Assured Late Shri. Dev Karan Mali, purchased Insurance Policy for Sum Assured of Rs. 25000/-. The policy commenced with effect from 28.03.2000. Insurance Policy

was revived on 08.09.2003. Life Assured expired due to brain stroke on 09.09.2003 at Saudi Arabia. Life Assured was not present in India on 08.09.2003 when the policy was revived and his signatures on the Declaration of Good Health were found forged by the Hand Writing Expert. Life Insurance Corporation of India vide their letter dated 02.12.2004 repudiated Death Claim on the ground that Life Assured was not present in India and was abroad as on 08.08.2003 which is date of Declaration of Good Health and date of revival. Policy was revived with fraudulent intention by making forged signature of the deceased Life Assured on Declaration of Good Health.

I uphold the decision of Life Insurance Corporation of India vide their letter Ref No. claim/D/Rep/48/191785035 dated 02.12.2004 Ref NO: claim/D/rep./48/191785035, repudiating the Death Claim.

Complaint is disposed of.

Delhi Ombudsman Centre
Case No. : LI-DL-I/214/04-05
Shri Satish Chand
Vs
Life Insurance Corporation of India

Award Dated : 29.12.06

My office has received a complaint from Shri Satish Chand on 10.09.2004 against Life Insurance Corporation of India, Divisional Office -I, Delhi, regarding the adjustment of premiums under policy No. 112417761.

During the hearing on 27.12.2006 the complainant Shri Satish Chand was absent and the Life Insurance Corporation of India, Divisional Office -I, was represented by Smt. Santosh Bakshi Manager (PS/SSS), Sh. R.K. Premi A.O(SSS) and Ms. Renu F. Sethi A.O. (PS/Claims). The representatives of Life Insurance Corporation of India has confirmed vide their letter dated 23.12.2006 that the Death claim has been settled by them vide their cheque No. 271460 dated 19.7.2006 for Rs. 69065/-. The Survival Benefit, which was due on 28.3.2004, has also been paid vide cheque No. 272266 dated 23.8.2006 for Rs. 10000/- favoring Smt. Maya Devi (Nominee of Late Shri Satish Chand). The Life Insurance Corporation of India has also paid the penal interest on delayed payment of Survival Benefit vide cheque No. 275753 dated 23.12.2006 for Rs. 1860/-

There is no further relief to be granted to the complainant.

The complaint is disposed.

Delhi Ombudsman Centre
Case No. : LI-DL-I/285/04-05
Shri Devender Kumar
Vs
Life Insurance Corporation of India

Award Dated : 29.12.06

My office has received a complaint from Shri Devender Kumar on 1.11.2004 that Life Insurance Corporation of India, Divisional Office-I, Delhi, has not settled the Death Claim under Policy No. 120575564.

During the hearing on 27.12.2006 the complainant Shri. Devender Kumar was not present and Life Insurance Corporation of India was represented by Ms. Ranjana Kumar Manager(claims), Sh. Rakesh Bajaj A.O(claims), Ms. Renu Fotedar A.O(claims).

The representative from Life Insurance Corporation of India, confirmed vide their letter dated 22.12.2006 that the Death Claim has been settled and a sum of Rs. 107600/- has been paid vide cheque No. 275707 dated 22.12.2006. This claim cheque was handed over to the complainant personally on 22.12.2006

There is no further relief to be granted to the complainant.

The complaint is disposed.

Delhi Ombudsman Centre
Case No. : LI-ICICI - 107/06
Smt. Nathi Bai

Vs

ICICI Prudential Life Insurance Co. Ltd.

Award Dated : 29.12.06

My office has received a complaint on 20.10.2006 from Smt. Nathi Bai against the ICICI Prudential Life Insurance Co. Ltd., that Death Claim of Late Sh. Bahadur Singh under Policy No. 02357482 has not been settled by the ICICI Prudential Life Insurance Co. Ltd.

ICICI Prudential Life Insurance Co. Ltd., has informed vide their letter dated 12.12.2006 that the matter of this complaint has been examined by the Internal Grievance Redressal Committee of the company and it was decided to give ex-gratia payment of Rs. 100000 to the complainant. The complainant Smt. Nathi Bai has accepted the payment and has withdrawn her complaint.

In the circumstances, there is no further relief to be granted to the complainant. The complaint is disposed of finally.

Delhi Ombudsman Centre
Case No. : LI/DL-II/257/05-06
Smt. Anu Mahendru

Vs

Life Insurance Corporation of India

Award Dated : 08.01.2007

Smt. Anu Mahendru lodged a complaint with this Forum on 13.09.2005 that her late husband Shri Atul Kumar Mahendru had taken three LIC policies No.110456368, 120367153 and 120700117. The Central Office, Claim Review Committee of LIC of India had repudiated the claim upholding the decision of the lower office.

LIC of India, vide their letter dated 16.11.2005, informed that Shri Atul Kumar Mahendru had taken three policies under Table 75-20 which commenced from 13.03.1987, 15.02.1994 and 15.01.1996 respectively. Sum Assured of above mentioned policies was Rs.25000/-, Rs.50,000/- and Rs.3,00,000/- respectively. Shri Atul Kumar Mahendru had died on 11.01.2004. Revival was effected on 26.06.2003 under Policy No.120700117. Claim was rejected due to non-disclosure of material information regarding previous/prolonged illness of cirrhosis of Liver with Portal HTN, upper GI Bleed, Esophageal varices from which he was suffering since November,2002 as is evident from claim form. The claimant herself admitted this fact in the claim form that her husband was suffering from Liver Problem since November,2002 and he received treatment from Dr.J.C.Vij of Pushpawati Singhanian Research Institute during the period 11.04.2002 to 07.02.2003 on different dates as is evident from Discharge Summary and Claim form. Policies were revived in June 2003 without disclosing previous/prolonged illness of Life assured from which he was suffering from 04.2002. He did not disclose

this fact in his personal statement at the time of revival. Hence in terms of the declaration signed by the life assured at the foot of the personal statement, the revival of the policy was declared Null and Void and as the policies in questions had acquired paid up value before effecting the revival, the death claim for paid up value was settled. In view of the above facts, the case did not deserve any consideration.

At the time of hearing, the representative of the complainant contested that the paid up value under the policies was received by J&K Bank to whom the policies were assigned and the amount of Rs.1,59,825/- was equal to the amount of loan taken from the bank. How could LIC of India decide to pay only the amount equal to the loan taken from the bank? They should have paid Rs.3.75 lakh under the policies. LIC of India contested and produced a certificate of Dr.J.C.Vij of Pushpawati Singhanian Research Institute which mentions that Shri Atul Kumar Mahendru was first admitted on 11.04.2002 with the complaints of cirrhosis liver with portal Hypertension, Upper GI Bleed(Esophageal) Varices, 5 times between 04/2002 to 30.12.2003. They also produced declaration of good health filled in by late Shri Atul Kumar Mahendru and against question No.2 wherein he had declared that he had not needed any medical attention.

On examination of the papers submitted and after hearing both the parties, it is observed that Shri Atul Kumar Mahendru as per Dr.J.C.Vij's Certificate, has been admitted in Pushpawati Singhanian Research Institute 5 times between 04.2002 to 30.12.2003 for the treatment of cirrhosis liver with portal Hypertension, Upper GI Bleed(Esophageal) Varices, which had not been disclosed by Shri Atul Kumar Mahendru in his declaration of good health at the time of revival of the policy. Non disclosure of material information by him has resulted into the policies being Null and Void and, therefore, I uphold the decision taken by LIC of India making payment only of the paid up value under the policies since they had run for more than 3 years from the last unpaid premium.

There is no further relief to be granted to the complainant.

Complaint is disposed of finally.

Delhi Ombudsman Centre
Case No. : LI/DL-III/260/05-06
Smt.Lajja Devi
Vs

Life Insurance Corporation of India

Award Dated : 31.1.2007

Smt. Lajja Devi had lodged a complaint with this Forum on 10.08.2005 that her husband late Shri Inder Singh had taken a policy No.111036549 from LIC of India under Salary Savings Scheme. He died on 24.06.2004. The cause of his death was road accident at Azadpur. Some unknown vehicle/person had hit him, he fell down and got some head injury. As a result of which, he became unconscious and died in the hospital. This is as per the police report, hospital and post mortem report. She preferred a claim with LIC of India, they had repudiated the claim because of false declaration in the proposal form under question No.11. She has declared that her husband was hail and hearty and was working as a labourer. It was not possible for him to discharge his duties in case he was not medically fit. Having cough and cold is not a major illness and her husband had died as a result of accident which has no bearing on this question. She has requested the Forum to pay the claim.

LIC of India, vide their letter dated 10.10.2005, had informed the Forum that late Shri Inder Singh took the above policy on 10.03.2004 and died on 24.06.2004, that is, after

3 months and 14 days of taking policy. As per Post Mortem report, the cause of death was cerebral damage consequent upon blunt force impact to the head. In the PMR, it is also mentioned that there is alleged history of deceased going on road when he became unconscious and fell down on 22.06.2004 and life assured expired during course of the treatment in the hospitals.

FIR also states that a person (life assured) was found unconscious on 22.06.2004. The claim was repudiated on the basis of non disclosure of ill health of life assured before taking the insurance. As per the Employer's certificate and medical certificates, Shri Inder Singh took medical leave from 16.08.2003 to 22.08.2003(7 days) for viral fever and cough, 15.09.2003 to 25.09.2003(10 days) for Bronchitis and 24.01.2004 to 06.02.2004(14 days) for typhoid. In this case First Premium Receipt dated 10.03.2004. Thus just within month of Shri Inder Singh, having suffered from Typhoid, life assured took insurance and concealed material facts of medical leave before taking insurance. This non disclosure is material as life assured would have been suffering from weakness due to typhoid which he did not disclose, and hence he became unconscious while standing on road and suffered head injury which is ultimate cause of death.

At the time of hearing, Smt. Lajja Devi disclosed that her husband was employed as a labourer with Municipal Corporation of Delhi and he was hale and hearty at the time of his death. He could not have discharged his duties had he not been fit. The cause of his death is not due to illness but because of injury to head as a result of accident. He was treated in the hospital. They only came to know of his death after few days when the body was claimed by them. LIC of India has wrongly repudiated her claim.

The representative of LIC of India contested that late Shri Inder Singh had availed of medical leaves of 31 days from 16.08.2003 to 06.02.2004 and was not enjoying good health which he did not disclose in the proposal form. Had he disclosed the same, the decision of LIC of India for issuance of the policy may have been different. On enquiry by this Forum that the death was as a result of accident and as per the contention of LIC of India's letter dated 10.10.2005 that since late Shri Inder Singh was suffering from weakness due to Typhoid, what bearing of the same would have been since the proximate cause was accident. The representative of LIC of India was not able to substantiate the same. Further, the attention of the representative of LIC of India was drawn to the medical certificate issued by Dr. Sunil Jaiswal, New Delhi where it has mentioned that Shri Inder Singh was suffering from Typhoid for 14 days and he was well to resume his duties from 07.02.2004, whether any enquiry was made by LIC of India, the representative of LIC of India was unable to reply to the query. However, the representative informed the Forum that they have rightly repudiated the claim since there was concealment of material information at the time of taking the insurance policy.

After hearing both the parties and on examination of the papers submitted, it is observed that as per the Post Mortem Report, the cause of death of Shri Inder Singh, was due to cerebral damage consequent upon blunt force impact to the head. All injuries are at the most and around two days in duration. LIC of India has repudiated the claim on account of non disclosure of material fact under question No.11 of the proposal form where late Shri Inder Singh had not disclosed the details of taking medical leaves. Since the proximate cause of death being accident and not illness, the contention of LIC of India in repudiating the claim is not correct.

Since Shri Inder Singh was working as labourer with Municipal Corporation of India and the policy being issued under Salary Savings Scheme, it would have been appropriate to get the details from the employer before accepting the proposal especially when the employees are not well educated. Further, Shri Inder Singh was also declared

medically fit to resume his duties after Typhoid as per the certificate given by Dr.Sunil Jaiswal.

I, therefore, pass the Award that Smt. Lajja Devi be paid the full sum assured along with accident benefit under policy No.111036549 favouring late Shri Inder Singh, as per the terms and conditions of the policy.

The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

Delhi Ombudsman Centre
Case No. : LI/JD/437
Shri Hapu Ram Vishnoi
Vs
Life Insurance Corporation of India

Award Dated : 26.02.2007

Shri Hapu Ram Vishnoi has lodged a complaint with this Forum on 07.03.2005 that his late wife Smt. Meera Devi had taken a life insurance policy No.101048092 from Life Insurance Corporation of India. He has lodged a claim with LIC of India as Smt. Meera Devi, the life assured, had died on 26.09.2003. LIC of India had repudiated the claim on the grounds that late Smt. Meera Devi had not disclosed in the proposal form that she was not keeping good health. He stated that his wife was healthy at the time of declaration as he was insured at the same time. The Development Officer had made necessary enquiries before acceptance of proposal. She was even medically examined by the Corporation's doctor. At the time of insurance, she had not concealed any material fact and his wife was keeping good health. He has requested the Forum to direct LIC of India to pay the death claim to him as he is the nominee under the policy.

LIC of India, vide their letter dated 28.03.2005, informed the Forum that Smt. Meera Devi died due to heart failure. The Officer who has conducted the investigation, in his report, has declared that she was a cancer patient for the last 2-1/2 years. A certificate to this effect was obtained from Natural Health Care Centre, dated 06.01.2005 where it is declared that Smt. Meera Devi Vishnoi was admitted in the Natural Health Care Centre on 09.06.2003 and discharged on 18.06.2003. She was treated for cancer of ovaries. She had cancer of ovaries for the last 2 years. Smt. Meera Devi had submitted a proposal to LIC of India on 30.01.2003. As such, she was suffering from Cancer at that time. She has concealed the material fact at the time of taking the policy. Accordingly, the claim was repudiated and was communicated to the nominee, Shri Hapu Ram Vishnoi.

At the time of hearing, the representative of LIC of India informed the Forum that on investigation it was found out that Smt. Meera Devi was treated at Natural Health Care Centre, Jodhpur and in her declaration submitted in the hospital, she stated that she was suffering from cancer of ovaries for the last 2 years which was well before the commencement of the policy. As such, they have rightly repudiated the claim.

On enquiry by this Forum that on perusal of the medical report of Dr.N.Vyas dated 30.01.2003 against Question No.17 (3):

Do you suspect any disease of uterus, cervix or ovaries ? : NO

The representative of LIC of India informed that disease could not be identified without clinical/medical examination. As such there was a reply " NO ".

On examination of the papers submitted and after hearing representative of LIC of India, it is observed that Smt. Meera Devi was a patient of cancer of ovaries as per the Natural Health Care Centre, Jodhpur for the last 2 years when she was admitted on

09.06.2003 and the proposal was submitted on 30.01.2003. The disease could not be detected by the medical examiner of LIC of India since no clinical tests were conducted. Therefore, the doctor was not able to detect the disease.

Since Smt. Meera Devi has disclosed in her statement to Natural Health Care Centre, Jodhpur that she was suffering from cancer of ovaries for the last 2 years, that is, before submitting the proposal to LIC of India, there is concealment of material fact.

I uphold the decision taken by LIC of India repudiating the claim of Shri Hapu Ram Vishnoi under the above said policy.

There is no further relief to be granted to the complainant.

Complaint is disposed of finally.

Delhi Ombudsman Centre
Case No. : LI-DL-III/04/06-07
Shri Harish Bansal
Vs
Life Insurance Corporation of India

Award Dated : 07.03.2007

Shri Harish Bansal has lodged a complaint with this Forum on 06.04.2006 that his wife Smt. Kusum Bansal had taken a life insurance policy No.331370848 from LIC of India which was in force at the time of her death. After filing a claim after her death, LIC of India after 9 months has repudiated the same. He sees no logic for repudiating the claim. He has requested the Forum that his case may be considered sympathetically.

LIC of India, vide their letter, dated 10.05.2006, informed the Forum that Policy No.331370848 was issued on 31.01.2005 with date of commencement as 28.01.2005 in favour of Shri Harish Bansal and Smt. Kusum Bansal under table and term 89.20, that is, Jeevan Sathi Plan. They have received the death intimation from Shri Harish Bansal that Smt. Kusum Bansal had died on 20.06.2005 just after 4 months and 19 days of taking policy due to heart attack.

In the case history received from Orchid Hospital and Form No.5152 received from Dr. Arun Anand, it is stated that she was a known case of Rheumatic Arthritis and Pulm.Koch's and was taking treatment from him for the last two years for cough and cold and old arthritis. This non disclosure is material as the cause of death of life assured as per Orchid Hospital record is Pulm.Koch's and Sepsis which has direct nexus with the previous disease of the deceased. Therefore, they have rightly repudiated the claim.

At the time of hearing, Shri Harish Bansal contested that his wife was medically examined by Dr.S.Yadav and as per his medical report, she was not suffering from any disease. Further, he contested that his wife died because of heart failure and not because of Rheumatic Arthritis. As such non disclosure of the same has no relevance with the cause of death. His claim, therefore, should be paid.

LIC of India contested that Smt. Kusum Bansal was first admitted in Orchid Hospital and Heart Centre on 18.06.2005 at 2.10 p.m. and was discharged on 20.06.2005 and was shifted to Kukreja Hospital and Heart Centre Private Limited and was diagnosed a case of Right sided Massive Pneumonic and Pulm.Koch. Since as per Form No.5152 submitted by Dr.Arun Anand, Smt. Kusum Bansal was a patient of cough and cold and old Pulm.Coch for the last 2 years which was before the commencement of the policy, that is, 31.01.2005. The deceased life assured had not declared of her disease in the proposal form and the policy having only run for 4 months and 19 days, the claim is not payable.

After hearing both the parties and on examination of the proposal form submitted, it is observed that in question No.11, the life assured has mentioned as follow:-

- a. During the last five years did you consult a
Medical Practitioner for any ailment requiring
Treatment for more than a week ? NO
- b. Have you ever been admitted to any hospital or
Nursing home for general check-up, observation,
Treatment or operation NO
- i. Have you ever received or at present availing/
Undergoing medical advice, treatment or
Tests in connection with Hepatitis B or AIDS
Related condition ? NO

Further on examination of the death summary of Kukreja Hospital and Heart Centre, it is mentioned that the patient was shifted from Orchid Hospital and Heart Centre to Kukreja Hospital and Heart Centre Private Limited and was diagnosed a case of Right sided Massive Pneumonic and Pulm.Koch. Further, the medical form filled in by Dr.Arun Anand mentioned that she was a patient of cough and cold and old Pulm.Coch for the last 2 years which she had not declared in the proposal form. Smt. Kusum Bansal did not disclose that she was a patient of cough and cold and old Pulm.Coch at the time of taking the policy, it is a material concealment and if she had declared the same, it was for the Insurance Company to accept the proposal or not. The proposer having not disclosed the disease she was suffering from which resulted in her death, LIC of India has rightly repudiated the claim.

I uphold the decision taken by LIC of India repudiating the claim of Shri Harish Bansal.

There is no further relief to be granted to the complainant.

Complaint is disposed of finally.

Delhi Ombudsman Centre
Case No. : LI/TATA AIG/25/06-07
Smt.Yogita Sapra
Vs

Tata AIG Life Insurance Company Limited

Award Dated : 29.03.2007

Smt. Yogita Sapra has lodged a complaint with this Forum on 18.05.2006 that her husband, Shri Raj Kumar Sapra, had taken a policy from Tata AIG Life Insurance Company Limited for Rs.1,35,000/- on 21.09.2004. He died on 05.03.2006. She had filed a claim with the Insurance Company and requested the Forum to get her claim settled.

The Insurance Company informed the Forum vide their letter dated 23.03.2007 that they had insured Shri Raj Kumar Sapra with life insurance policy on 20.09.2004 for a sum assured of Rs.1,35,000/-. He had died on 05.03.2006. The cause of death was Septic Shock. He was diagnosed of Acute Myeloid Leukemia on 13th August,2004. Hematological diagnosis of Leukemia was before application date. He had undergone Bone Marrow test for the same as per report dated 24.08.2004. Further, Indoor case papers of Dr.B.R.A.Institute Rotary Cancer Hospital dated 13th August,2004 – Acute Myeloid Leukemia. Hematological Report from Department of Laboratory Medicine of All India Institute of Medical Science dated 17th August,2004 – Acute Myeloid

Leukemia. Bone Marrow Report dated 24.08.2004 – Acute Leukemia, Morphologically Lymphoid. Discharge summary dated 30th August, 2004 – Insured was treated for Acute Leukemia. The claim on a contestable policy was declined on the grounds of material non-disclosure of cancer of the uterus. Had this medical history been disclosed, the underwriting decision would have been to decline the insurance cover.

At the time of hearing also, the Insurance Company produced the proposal form wherein treatment of Acute Leukemia was not disclosed whereas he had already undergone the treatment for the same and was diagnosed on 18.08.2004 that he was suffering from Acute Myeloid Leukemia.

On examination of the papers submitted, it is observed that Shri Raj Kumar Sapra had submitted the proposal form on 04.09.2004 to Tata AIG Life Insurance Company Limited for life insurance policy and on examination of the same, it is observed that he had not disclosed that he was under going treatment for Acute Myeloid Leukemia which was diagnosed on 18.08.2004. Non disclosure of material information by Shri Raj Kumar Sapra at the time of submitting the proposal form deprived the Insurance Company to underwrite the risk correctly. Therefore, they have rightly repudiated the claim.

I uphold the decision taken by Tata AIG Life Insurance Company Limited repudiating the claim of Smt. Yogita Sapra.

There is no further relief to be granted to the complainant.

Complaint is disposed of finally.

Guwahati Ombudsman Centre
Case No. : 24/01/022/L/06-07/GHY
Smt Shima Shyam
Vs
Life Insurance Corporation of India

Award Dated : 03.11.2006

FACTS

Initially subject matter of the complaint was that the death-claims in 3 (three) policies in question purchased by Late Ashish Shyam, the husband of the complainant have not been settled by the LIC in spite of reminders. During pendency of the complaint, 2 (two) out of the aforesaid policies have since been settled and only policy no. 492857691 (Sum Assured Rs.62,500/-) has remained not-settled and later repudiated.

The contention of the L.I.C., vide letter dated 12/10/2006 addressed to us, on the other hand is that death-claim under policy no: 492857691 is repudiated as it was found during investigation that material informations regarding health of the D.L.A. (deceased life assured) was suppressed by him while submitting the proposal for insurance etc.

Decisions & Reasons

It is submitted by the LIC that D.O.C. of policy no.492857691 is 28/03/04. That from the leave record of the D.L.A it was found that D.L.A. was an employee of ASEB and investigation had revealed that he availed earned leave on medical ground for several days w.e.f. 01/04/03 till 25/01/04. That the enquiry report submitted by Branch Manager (i/c), also corroborates the fact that D.L.A was absent from duty on medical/health ground and had undergone treatment in Christian Medical College Hospital, Vellore, in addition to treatment under local doctors and Dr. S.B. Das of International Hospital, Guwahati.

Copy of the proposal form forwarded to us would show that the proposal was signed by the D.L.A on 28th March, '04 and it was submitted under B.O.C. no.13398 dated 31/03/04 paying instalment of premium as Rs.250x2=Rs.500.00 under 'SSS' mode.

Prescription dtd. 5/1/2006 by Dr. M.L. Bhattacharjee states that Ashish Shyam was suffering from chest pain on 15/07/2003 i.e., about a year back from D.O.C., and he advised him to attend S.M.C.H. (Silchar Medical College Hospital) for further investigation. Dr. S.B. Das certified, vide letter dated 20th April, '03, that Ashish Shyam was suffering from Hemorrhagic Pleural Effusion and was under his treatment since 01/04/2003. Similar certificates were issued by Dr. Das subsequently on 11th May, '03, 22nd July, '03, 27th October, '03. Therefore, the opposite party/ LIC has adduced sufficient evidence in support of its contention that on and from 01/04/2003, the DLA had undergone treatment for serious illness. It appears that the present proposal was submitted much later on 28/03/04 by suppressing the ailment and the treatment undergone w.e.f. 01/04/03 and entries in column no.11 of the proposal form were made denying these facts which amounts to suppression of material facts, the disclosure of which might have led the insurer to take a different decision in the underwriting other than what was taken at that time.

In view of the facts aforesaid, we are of the opinion that there is nothing to interfere with the act of repudiation of the death-claim preferred under policy no.492857691. We have already observed that other two policies referred by the complainant have already been settled by making payments of the requisite amounts etc.

In view of discussions and findings as aforesaid, there is no ground to interfere and accordingly matter stands closed.

Guwahati Ombudsman Centre
Case No. : 24/01/077/L/06-07/GHY.
Smt Alomara Begum Mazumder
Vs
Life Insurance Corporation of India

Award Dated : 10.11.2006

Facts (Statements and counter statements of the parties) :

The grievance of the complainant is that the death-claims under the two policies in reference were wrongly repudiated by the insurer on the pretext that the policies were in lapsed condition on the death of the insured.

On the other hand, the view expressed by the insurer / LIC is that the policies in question were revived on 30/09/03 on the strength of D.G.H. (Declaration of Good Health) by paying the arrears of premia for two years six months. That while submitting the D.G.H., the D.L.A. (Deceased Life Assured) stated that his health was 'good', but his leave documents and relevant papers procured will show that he was suffering from disease like PUS, Hepatitis etc. prior to prayer for revival of the policy.

Decisions & Reasons

The copy of leave certificate, medical certificate and a fitness certificate procured from Executive Engineer (PWD), the employer of the D.L.A., will clearly show that he was suffering from P.U.S. (Peptic Ulcer Syndrome) with hepatitis and were treated by doctor for the diseases and advised the D.L.A. to take rest at least for a month w.e.f. 30/09/03. That would show that D.L.A. was suffering from ailments next before 30/09/03. He was given fitness certificate to join duty w.e.f. 29/10/03. But the copies of D.G.H. forwarded by the insurer will show that declaration was made on 30th September, '03 answering the queries regarding health condition in 'negative'

Thus, he withheld facts and was guilty of not discharging utmost good faith while in his attempt to revive the lapsed policy.

It is also significant to note that the premium for two years six months were paid on 30/09/03 along with D.G.H. It might have been done in utmost desperation anticipating future insecurities etc.

Concluding, we find no ground to interfere with the act of repudiation but considering the financial status and family condition of the D.L.A. we recommend an ex-gratia relief of Rs.20,000/- on the strength of Rule 18 of the R.P.G. Rules, 1998.

It is hereby directed that the insurer will settle the claim on the basis of the above discussions and decisions.

Guwahati Ombudsman Centre
Case No. : 24/02/054/L/06-07/GHY
Smt. Juri Kakati Saikia
Vs
SBI Life Insurance Co. Ltd.

Award Dated : 10.11.2006

Grievance

Smt. Juri Kakati Saikia is the complainant. She states that her husband late Pradip Saikia procured SBI-Life Insurance Policy (under scheme Sudhrashan Plan-B) assuring sum assured of Rs.50,000/-, risk date being 08/03/2004 and used to deposit premia through company's authorized insurance adviser, Mr. Prafulla Borah. The said policyholder died in a motor accident on 12/07/05 leaving herself and one minor son as legal heirs. She registered her death-claim with the insurer but the same has not been settled notwithstanding her efforts and approaches for the purpose. That all premia/renewal premia were being paid to company through insurance adviser Prafulla Borah, who used to collect the same by issuing 'acknowledgement receipts' in printed form in the name of the company. The relief sought is Rs.1,00,000/- (sum assured Rs.50,000/- + accident benefit of Rs.50,000/-) along with any other relief to which she may be entitled .

Reply

The insurer by a 'self-contained note' submitted that premium due for quarter starting June 08, 2005 remained unpaid on the date of the death of the D.L.A. because the cheque no.897312 was drawn on account of the insurance adviser Prafulla Borah and not on the bank account of the policyholder and as per rules of the company, a third party cheque cannot be accepted for proposal deposit and for payment of policy premium and accordingly, the claim was rejected.

DECISIONS & REASONS

We have perused the documents and considered the views expressed by the parties. The complainant has enclosed the policy copy and other connected terms and conditions of the policy. There is nothing to show the mode of payment of premia as claimed by the insurer, rather the receipts issued by the insurer will show that all the premia were collected by the insurance company through the insurance adviser, Prafulla Borah and Prafulla Borah also used to issue acknowledgement of receipts of premia (received from the insured) upon the SBI-Life Insurance printed forms. There is nothing to show any refusal to accept the premia so tendered through cheques/drafts by the insurance adviser. The premium receipt no.25556 dtd. 3rd August, '05 has clearly mentioned that the premium had been received by cheque no. 897312 (dated 15/06/05) and accepted by the insurer. Renewal premium due on 8/3/05 and 8/6/05 was

received by insurance adviser Sri Borah on 28/05/05, i.e., even earlier than the due date in case of due date of 8/6/05 and deposited with insurer by 15/6/05. The photocopy of the counterfoil of cheque has also been filed. Thus, we don't find anything from the documents forwarded to us by the insurer to substantiate the plea that cheques drawn on other's account / third party account were not acceptable to the insurer. Interestingly, other premia paid on behalf of the insured by demand drafts were accepted. Even the cheque no. 897312 dated 15.06.05 was not returned by the insurer either to the insurance adviser or to the insured with endorsement that such payment is not acceptable. Rather, receipt was issued belatedly on 3rd August, '05 by accepting the premium. Therefore, we find the objection raised is 'an objection for objection's sake' and has not been substantiated by appropriate policy conditions to carry out any meaning. Incidentally, it may be remembered that there is no question of fraud being practised as the insured died unfortunately in a motor accident on 12-07-05 after deposit of the premium with the advisor for necessary regularization of payment of premium with the insurer and it was accepted issuing receipt after his (insured) death.

Therefore, we don't agree with the decision of the insurer that the policy in question was in lapsed condition on the date of death of the insured.

It is hereby directed that the amount due to the insured is to be paid by the insurer to the claimant together with penal simple interest @ 6% p.a. w.e.f. 13-02-06 .

Guwahati Ombudsman Centre
Case No. : 21/01/079/L/06-07/GHY
Mr. Lamhao Doungel
Vs
Life Insurance Corporation of India

Award Dated : 15.11.2006

Brief Facts leading to complaint

Briefly stated, the grievance of the complainant is that death-claims lodged by him with the LIC due to death of his father in connection with two policies were repudiated improperly on the pretext that the D.L.A.(deceased life assured) made incorrect statements and withheld correct informations from them regarding his health at the time of effecting the insurance etc.

Opponent's views

The submission of the insurer is that it was revealed during enquiry of the death-claims in question that the D.L.A. had been suffering from malaria-fever, gastritis and respiratory tract infection, amoebiasis during the period of four years prior to his death. But these facts were not disclosed by the D.L.A. at the time of taking these two policies for which there was suppression of facts with fraudulent intentions to procure the two high risk policies.

DECISIONS & REASONS

It appears that the doctor who treated the D.L.A. issued two certificates on 21/02/05 and 06/07/05. There is no dispute that in questionnaire of item no.11 of the proposal form regarding 'Personal History' the answers were in 'negative' by the proposer/D.L.A. while submitting the proposal form, the relevant part of which is as in annexure 'C' to this judgement. There is no dispute that the D.L.A. died of 'congestive heart failure'.

The medical report dated 06/07/05 is more specific and exhaustive to say why the ailments for which the D.L.A. had undergone treatment were of minor nature and for short duration. It is also there that there is no evidence of D.L.A. taking any medical leave from his employer during his service career. Thus, if we go carefully by the

questions provided in item no.11 of the proposal form, we will find that it was not obligatory under the particular facts and circumstances of the case for the proposer to mention any ailment requiring treatment for less than one week and ailments regarding liver, stomach, heart, lung, kidney, brain or nervous system. The medical reports procured by the insurer do not mention attack on any such vital organ of the body excepting one or two. But then, such minor disease of stomach or digestive system, viz., amoebiasis, gastritis may be overlooked and one may not remember such ailments particularly when the ailments were of very short duration and not of serious nature. Therefore, we are of the humble opinion that it will be too technical interpretation of the proposal clauses/conditions regarding 'Personal History' to find and hold that there was any case of withholding correct/material informations regarding health at the time of effecting the insurance in order to invite serious action like the repudiation of death-claim which is otherwise valid. The complainant has rightly submitted that there was no malafide intention in filling up the proposal form and 'all the questions were answered honestly and innocently on good faith'. We agree with the submissions of the complainant that under the particular facts and circumstances of these claims, the claims repudiations were not justified and are liable to be set aside, which we do.

It is hereby directed that the insurer will re-open and review the death-claims and take appropriate decision for payment of the just claim due to the complainant as per the terms and conditions of the policy.

Guwahati Ombudsman Centre
Case No. : 24/01/003/L/06-07/GHY
Sri Ramesh Sharma
Vs
Life Insurance Corporation of India

Award Dated : 28.11.2006

Facts (Statements and counter statements of the parties) :

One Sri Ramesh Sharma is the complainant. He states that his father Dewchand Sharma (DLA) purchased a policy from LIC, Tinsukia Branch, sum assured being Rs.45,000/- under New Jana Raksha Policy and died on 2/01/05 at Galimpur, P.O. Tariya, Dist. Saran (Chhapara), Bihar. The death claim was lodged but no settlement was made by the LIC.

The LIC has not submitted any 'self-contained note' although through correspondences it is stated by Jorhat Divisional Office that it is making some enquiries like verification of the age etc., from Muzaffarpur Divisional Office and branch office but till date no response from either side of offices has been made. A subsequent letter from the Manager (Claims) of Jorhat Divisional Office states that the enquiry report has been received by it and the matter is under process.

Decisions & Reasons

It may be noted that on registration of the complaint on 12/04/06 we have already consumed a period of over 7 months to come to a decision but failed due to non-cooperation of LIC Division concerned. It may be noted that age factor by itself, will not create much hindrance in settling the claim if the adjustment of premium is made as per the LIC policy conditions. We are constrained to observe that D.O., Jorhat is not taking the matter seriously to resolve the issue quickly and efficiently but trying to drag the matter on unacceptable grounds, making it difficult for us to dispose etc. the matter within 3 months as stipulated by R.P.G., 1998.

In view of the discussion aforesaid, it is hereby directed that LIC will take up the matter in right earnest and settle the death-claim within next 30 days from the date of receipt

of award/order under intimation to this Authority. However, if dis-satisfied, the complainant may approach here again.

The LIC is further directed to consider payment of penal interest for any unusual delay in resolving the problem and making payment etc., as the case may be.

Guwahati Ombudsman Centre
Case No. : 24/01/005/L/06-07/GHY
Smt. Rakhi Paul
Vs
Life Insurance Corporation of India

Award Dated : 01.12.2006

Facts (Statements and counter statements of the parties)

The complainant Smt. Rakhi Paul states that the death-claim preferred by her in connection with the policy in question has not been settled by the LIC.

By letter dated 16/05/06 addressed to us the Manager (Claims) of LIC Divisional Office, Guwahati, stated that sum assured in this context was Rs.1,25,000/- under table and term 103-20 on the life of Sujit Kr. Paul, D.L.A. (Deceased Life Assured) , mode of premium being 'yly'. That at the death of the D.L.A. on 23/06/04, the policy was of duration of 2 months 25 days. That as per the report of the I.O., the D.L.A. had been suffering for 3 to 4 months prior to the death vis-à-vis the policy duration of 2 months 25 days only. That the D.L.A. expired in the Dr. B. Borooah Cancer Institute, Guwahati on 23/06/04 as per the statement of the claimant, but space for answers to questions contained in claim form 'B' was left blank with a throughout remark 'does not arise' by authority of Dr. B. Borooah Cancer Institute, Guwahati and accordingly, for clarification, it (LIC) wrote to the complainant/claimant for sending treatment particulars from 16/6/04 to 23/06/04 along with the case history. But the complainant did not comply with the request till date of that letter dated 16/05/06.

Decisions & Reasons

The copy of claim form-'A' forwarded to us mentions that the duration of the last illness of the D.L.A. was 7 days w.e.f. 15/06/2004 causing his death on 23/06/04 due to 'cardio respiratory failure' and the D.L.A. complained of ill health (heart pain) on 16/06/2004. It was rightly pointed by the concerned officer of the LIC that certificate of hospital treatment, claim form 'B', issued by the Senior Resident of Dr. B. Borooah Cancer Institute, Guwahati, has filled-up the form without any particulars simply mentioning 'does not arise'. The medical attendants certificate, claim form 'B' also mentions that the patient complained of heart pain and the duration of the same was for

7 days w.e.f. 16/06/04. Interestingly, the certificate of identity and burial or cremation (claim form 'C') is signed by Residential Surgeon of Dr. B. Borooah Cancer Institute, Guwahati, mentioning that he saw the patient alive on 23/06/2004 and patient on death was cremated on 23/06/2004 at Lanka Muktighat (after his death at Dr. B. Borooah Cancer Institute, Guwahati on 23/06/04 at 2.40 p.m). The photocopy of the certificate dated 19/03/05 from Dr. B. N. Mondal, Lanka forwarded here by the complainant shows that said doctor treated D.L.A. Sujit Kr Paul on 29/05/04 for fever, headache and bodyache but treatment was not responding and he referred the D.L.A. to specialist on 07/06/04 (there is no document to show that the D.L.A. was referred to the Dr. B. Borooah Cancer Institute, Guwahati by said Dr. Mondal).

In her subsequent letter dated 10/07/06, the complainant Smt. Rakhi Paul has averred that her husband (D.L.A.) was holder of seven number of policies and she received all

the claims excepting the present one. In the same letter, she further states that the D.L.A. was taken to Dr. B. Borooah Cancer Institute, Guwahati on 23/06/04 for treatment and he died there due to heart failure just within one hour of arrival there for which formal admission and treatment was not possible. This will clearly contradict earlier statements of her in the contents of certificate of identity and burial/cremation, medical attendants certificate, claimant's statement and certificate of hospital treatment etc., mentioned beforehand. Therefore, we find that there is no consistency in the statements of the complainant. Moreover, she has not complied with the request of sending treatment particulars of the D.L.A. from 16/06/04 to 28/06/04 as requested by the Manager (Claims) of LIC vide his letter dated 21/illegal/06.

Concluding, we find no convincing ground has been shown by the complainant for the interference of the Ombudsman at this stage and the matter stands closed, for the time being, with these observations with a further direction to the LIC to take appropriate decision in this case as it thinks fit and proper, provided the complainant furnishes the desired informations.

Guwahati Ombudsman Centre
Case No. : 24/01/006/L/06-07/GHY
Md. Nurul Islam Ali
Vs
Life Insurance Corporation of India

Award Dated 07.12.2006

Grievance

The claimant here is the nominee of the deceased life assured (D.L.A.), his mother. His grievance is that on the death of his mother on 04/02/04, he lodged the death-claim and submitted all necessary filled-up forms but the insurer/LIC was not settling the claim.

Reply from LIC

The views expressed by the LIC, vide copy of the letter addressed to the complainant and the photocopy of the 'office notes' forwarded to us, appears to be as follows :—

That the liability under policy had to be repudiated due to D.L.A. withholding material informations regarding her actual age while effecting the insurance cover.

That she gave her age as 50 years when she signed the proposal for insurance thereby understated her age by 11 years because the evidence collected by the LIC revealed that the D.L.A. was not less than 61 years of age at the time of presenting the proposal.

That had she disclosed her correct age, the insurer would not have accepted her proposal etc.

Finally the claim was repudiated with the observation (s) as below :-

By understatement of age by about 11 years the DLA suppressed the material fact and got the policy, for which she was not insurable with actual age at D.O.C.

So,

(1) The Committee recommends for Repudiation of the Claim

Issue

Whether repudiation of the death-claim was justified under the facts and circumstances of the case.

Decisions & Reasons

It is quite significant to note that the policy in question, DOC-22.03.2001, was in lapsed condition for quite a long period after the initial payment of three premiums and was revived only on 08/01/04 i.e., 26 days next before the death of DLA on 04/02/2004 by payment of as many as 9 quarterly arrears of premiums w.e.f. 12/2001 to 12/2003. The duration of the policy was 2 years 10 months 12 days in total inclusive of the revival period of 26 days. As per the report of the I.O., the DLA had no income of her own. But it appears from the proposal form that she stated her annual income as Rs.26,000/- from 'cutting', 'knitting', etc., It is also shown that her husband had a policy of sum assured of Rs.15,000/- taken on 30th January, 1987 and another of Rs.2,000/- taken in the year 1972. But she procured the policy for sum assured of Rs.50,000/- at much later stage of her life in the year 2001. As per facts given under column 'Family History' of the proposal of her husband signed on 30-01-1987 the age of the proposer was 53 years and age of his wife (i.e., present DLA) was 47 years and ages of children were 29, 27, 24. years etc. In a policy procured by the present complainant (son of the DLA), his date of birth was shown as 20-02-1958 and age on 17-03-01 (date of proposal) as 43 years. From this it was rightly calculated out by the insurer that under all probability, the age nearer birth of the DLA at the time of taking the present policy was 61 years. It is also stated that under table-14, the maximum age at entry is 60 years. The I.O. in the enquiry report also noted that DLA had no income of her own and as per the established norms, a house-wife with no income of her own can be given maximum insurance equal to income of husband. The certificate issued by Gaobura on 27/08/2006 shows that the DLA was having handloom and broiler farm business. If it is taken to be true then it contradicts the statement of the DLA in the proposal form where she stated she has having business of 'cutting and knitting'.

Thirdly, the LIC has procured information from the Headmaster of No.2 Dobok LP School. The copy of letter says that there is no record of any certificate being issued in favour of Ms Loufuli Begam, daughter of Alichia Ali. Ali of No.2 Dobok on 1/3/1965. Therefore, it is likely that age verification certificate was a fraudulent document produced while submitting the proposal. From the copies of the 'notes and decision' of the policy docket, it appears that all the relevant factors were considered by the 'standing committee' of the insurer and there is no infirmity in the decision so arrived at while repudiating the claim. It has been rightly submitted by the insurer that at the age of 61, the DLA was of uninsurable age and could not have taken the policy aforesaid for sum assured of Rs.50,000/-.

Concluding, in the background of the discussions aforesaid, we find no infirmity in the decision taken by the LIC/insurer and accordingly, in our view there is no scope for any interference from this authority.

In view of the discussions and findings aforesaid, the complaint stands closed.

Guwahati Ombudsman Centre
Case No. : 21/01/047/L/06-07/GHY
Smt. Kiran Saikia
Vs
Life Insurance Corporation of India

Award Dated : 08.12.2006

Facts leading to grievance of complainant

In brief, the grievance of the complainant is that on the death of her husband , the policyholder, she lodged the death-claim but no settlement has been done till date.

Counter-statements from opp.party/insurer

The submission of LIC is that the policy was in the lapsed condition due to non-payment of premium due 2/2005. That the premium due 1/05 was adjusted on 31/3/05 but three numbers of MLY premiums due 2/2005, 3/2005 and 4/2005, were not paid before the death taking place on 8/5/2005. That the claim is not payable because the policy was lapsed and that although it was a 'SSS' policy, the DLA was bound to pay the premiums in view of the fact that DLA signed on Annexure-I(A) & Annexure II (A) of the policy which makes it mandatory (although under SSS) for the insured to make payment of the premium due in case there was no deduction from monthly salary etc.

Decisions & Reasons

So, the terms and conditions aforesaid clearly debar the insured (DLA) to claim relief if there is any non-payment of the premium by the employer unless and until in such default he himself has paid the premium to keep the policy in running condition.

Be that as it may, the policy in question was in running condition for more than one and a half year and the insured died due to sudden heart attack leaving behind his wife and college-going children. We think some ex-gratia relief may be given to the family member of the DLA to overcome the sudden financial distress, particularly, in view of the fact that reasons for non-payment of the premium was due to non-availability of the salary of the DLA and circumstances beyond his control.

In view of findings and discussions as aforesaid in exercise of powers under Rule 18 of R.P.G. Rules, 1998 I hereby direct that 50% of the sum assured may be paid to the nominee of the DLA/claimant.

Guwahati Ombudsman Centre
Case No. : 21/01/072/L/06-07/GHY
Smt. Lakhimi Dutta
Vs
Life Insurance Corporation of India

Award Dated : 19.12.2006

Facts

Death-claims under the above-mentioned two policies were repudiated by the insurer, hence this complaint.

The insurer would submit that Deceased Life Assured (DLA) had been suffering from Jaundice/Hepatitis before the date of commencement of the above-noted policies and there is evidence of his availing leave for 79 days w.e.f. 01/10/2002 till 20/12/02. That the DLA did not disclose his ailments while filling-up the proposal forms at the relevant place. That he gave false answers to questions in item no.11 of the proposal forms and accordingly, as per terms and conditions of the contract, the claim under the aforesaid policies were repudiated.

Decisions & Reasons

It will be seen that the DOCs in both the cases were 8/5/03 and duration of the policies 5 months 27 days. LIC collected certificate from Dr. P.C. Saikia which has certified that DLA was victim of ailment of Jaundice c infects hepatitis from 01-10-02 to 21-10-02.. There is also a discharge certificate issued by Srishti Hospitals & Research Centre (P) Ltd., Paltan Bazar, Dibrugarh showing admission of the DLA on 04/03/03 for 'FUC of RTA with Ethanol dependence'. The certificate issued by Dy. Director, Food & Civil Supplies, Dibrugarh, shows that the DLA availed earned leave on medical ground from 01/10/2002 to 20/12/2002. The enquiry report of the ABM(S), Jorhat DO, has clearly indicated that the DLA was not in good health at the time of proposal and the claim is not at all genuine. In connection with both the proposals, the answers of the proposer

were 'negative'. and answer to the question 'what has been your usual state of health ?' was stated 'Good'. Thus, we find that there was a clear case of violation of utmost good faith' (Uberimma Fide) and accordingly, there is nothing wrong in the decision of repudiation recorded by the

LIC Branch/Division concerned. The certificate of hospital treatment and Medical Attendant's Certificate issued in this context are indicative of the fact that death was directly resulted from the complications of Jaundice/Hepatitis which was concealed while presenting the proposals for the aforesaid policies in question.

In the result and on the basis of the discussions aforesaid, we find that there is nothing wrong in the act of repudiation recorded by the LIC and as such there is nothing to interfere. The matter stands closed accordingly.

Guwahati Ombudsman Centre
Case No. : 21/01/053/L/06-07/GHY
Sri Bimal Murah
Vs
Life Insurance Corporation of India

Award Dated : 18.12.2006

Facts leading to grievance of complainant

The view of the complainant is that his father late Thaneswar Murah, the life assured (L.A.) purchased the policy in question during his lifetime and expired on 25/05/03. That death-claim was lodged with LIC but the claim was repudiated on the plea that the Deceased Life Assured (DLA) died of Carcinoma Oesophagus after suffering for two years before death and accordingly, nothing was payable.

Counter-statements from opp.party/insurer

The view expressed by the insurance company is that DLA was suffering from Carcinoma Oesophagus before date of commencement of the policy in question and no-disclosure of the said fact was made in the proposal/personal statement rather DLA had given false answers to all the items under question no.11 of the proposal form and accordingly, as per the terms and conditions of the policy the claim had to be repudiated.

Decisions & Reasons

There is no dispute that the DLA died of the disease of Carcinoma Oesophagus and in support thereof the complainant also submitted medical record from Dr. Bhubaneswar Borooah Cancer Institute. The connected proposal form shows that the policy in question, sum assured Rs.50,000/-, was issued consequent to proposal submitted on 26th July, '02 and all the queries made under question no.11 (personal history), excepting question regarding health condition No. 11 (i), were answered in 'negative' stating therein in question no.11 (i) that the health condition of the proposer was 'Good' at the time of taking the policy (DOC : 20/08/02). The certificate obtained from employer of the DLA states that the DLA was absent from duty w.e.f. 28/02/98 till 20/08/02 and the Doctor-in-charge of Dr. Bhubaneswar Borooah Cancer Institute has submitted a report in Form No.5152 stating thereupon that the DLA was suffering from Carcinoma Oesophagus for the last 2 years and he was consulted for the first time on 23rd April, 2003 with symptom of difficulty in swallowing and was treated from 23/04/03 till 05/05/03 which will mean that DLA was suffering from cancer on and from a date much earlier to DOC of the present policy which policy continued for 9 months 5 days only till the death of the DLA. Incidentally, it appears from the papers submitted by the

LIC that other two policies of Sum Assured Rs.75,000/- and Rs.2,00,000/- have been admitted and paid.

Thus, we are of the opinion that there is no scope for any interference from this Authority with the decision of repudiation of the death-claim and accordingly, the complaint has no force and stands closed.

Guwahati Ombudsman Centre
Case No. : 21/01/110/L/06-07/GHY.
Mrs. Indira Gogoi
Vs
Life Insurance Corporation of India

Award Dated : 29.01.2007

Facts leading to grievance of complainant

The grievance of the complainant (wife of policyholder) is against repudiation of death-claims in connection with the policies mentioned above. The LIC repudiated the claims on the ground of withholding material informations/suppressing material facts while submitting the concerned proposal forms. The complainant contends that the Deceased Life Assured (DLA) discharged his duties without any absence while under employment and she is financially hard-pressed on the death of the DLA and hence sought for relief etc.

Counter statements from Opp.party/Insurer

The insurer/LIC, on the other hand, would submit that DLA had suffered from various ailments like convulsive disorder, malaena, Bacillary Dysentery and in this connection he availed sick leave from 09.04.98 to 15.05.98, 30.8.99 to 15.09.99, 26.08.01 to 06.09.01 on different occasions. That the DLA failed to disclose these facts of availing sick leaves while submitting the proposal/personal statement and accordingly was guilty of deliberate mis-statement therein and hence the claim had to be repudiated as per the terms and conditions of the contract.

Decisions & Reasons

Undisputedly, the cause of death was Cardio Respiratory Failure resulting from 'extensiveparenchymal hematoma with mass effect & ventricular extension'. In the case summary issued by G.M. Hospital (P) Ltd., Dibrugarh on 31/10/03, it is stated that the DLA was admitted on 13/09/03 with 'history of sustained head injury on 12/09/03 at 12 PM' and on examination he was found to have sustained right elbow abrasion, right scalp contusion on parietal region etc. In the certificate of hospital treatment (form no.3816/Claim Form-B) it is stated that the DLA was admitted with complaint of unconsciousness following head injury. As per entry in item no. 33 of the Claim Enquiry Report , the ABM (S), LIC, Naharkatia, it is stated that Enquiry Officer could understand from the enquiry that the DLA fell down when he was purchasing his daily essential commodities. It was also found by the Enquiry Officer that the DLA suffered from other ailments before DOC and availed sick leaves during his service period. So, the stated injury sustained on head by DLA is not from 'external visible means' but due internal physical disorder (may be convulsive disorder) with which the DLA used to suffer next before the purchase of policies in question.

The LIC could collect informations from the employer of DLA to submit that the DLA availed sick leave as follows :-

9-4-98 to 15-5-98 – (37 days) Convulsive disorder.

30-8-99 to 15-9-99 – (17 days) Malaena

26-8-01 to 6-9-01 – (13 days) Bacillary Dysentery.

Therefore, the view taken by the LICl as per the 'official note' prepared that the DLA sustained head injury caused by sudden fall due to convulsive disorder has substance. It is also established by the documents produced by the LICl that DLA was an ailing person before DOC of the policy but there was no mention of these sufferings or diseases in the connected part of the proposal forms submitted by DLA.

Unfortunately, the proposal forms disclose that all the questions regarding 'Personal History' were answered in negative (excepting one where the state of health has been mentioned as 'Good'), refer answer to question no.11 of the proposal forms. Health condition is an important material for the insurer to take decision in the underwriting and accordingly, it has got serious implications for which any omission or commission therein cannot be overlooked. Convulsion as per medical dictionary is a violent involuntary contraction or series of contractions of the voluntary muscles and disorder is a derangement or abnormality of function etc. Therefore, convulsion disorder is a serious disease and needs to be mentioned in order to know the actual health condition of the proposer at or during time of submission of proposal for procurement of policy.

In this context, we find that during a service career the DLA availed both privilege leaves and sick leaves and sometimes extending over 37 days. (from 9/4/98 to 15/5/98 due to convulsive disorder).

We also observe that the policy duration in these cases were 2 years 8 months 18 days and 1 year 9 months 21 days respectively procured in consecutive years of 2000 and 2001, although the DLA was in service from 1997 onwards, if not from earlier period, as per available datas which contradicts the statement of the complainant in her complaint where it is stated that the DLA 'discharged his duty without any absence from his work'. In the result, we don't find any strong ground to interfere with the decision arrived at by the insurer.

In view of the discussions aforesaid, the matter stands closed.

Guwahati Ombudsman Centre
Case No. : 21/01/076/L/06-07/GHY.
Smt. Sarita Agarwalla
Vs
Life Insurance Corporation of India

Award Dated : 31.01.2007

Facts (Statements and counter statements of the parties)

The complainant is the wife of the Deceased Life Assured (DLA) who purchased the policy (the particulars of which is noted above) vide proposal (DOC dated 28/02/2000) and it is stated by the complainant that the DLA died on 6th December, '03. That the LICl issued discharge voucher for Rs.2,49,200/- in December, 2003 but thereafter is not responding to the queries regarding the full and final settlement of the death-claim lodged.

The Branch Manager of Moran Branch Office of LICl vide his letter dated 25.09.06 stated that the Divisional Office Jorhat has repudiated the claim on 31/07/04 but the connected file/record of the claim case was missing.

Decisions & Reasons

Correspondences were made unfortunately with negative results to get the self-contained note from the LICl. Although it is stated in the complaint that 4 years premiums have been paid by the DLA, in support thereof no documents or copy of the premium receipts etc. or any other documents have been filed by the complainant. The clear ground of repudiation is also not available from the concerned Divisional Office or

Branch Office of LICl. It is stated that the DLA died of Cardio Respiratory Failure but the position is not clear whether before death the policy was in running condition without any break or it was revived before death of DLA after any lapse in payment of premium. In any case, it is most unfortunate that clear picture is not coming from LICl in spite of several reminders issued from this Office. It is true that for effective disposal of the complaint, matters available are insufficient. But then, we cannot keep this case pending for unlimited period and accordingly, it is ordered as here-in-under.

The Divisional Office Jorhat in consultation with the concerned Branch Office will take up the matter/issue seriously and try to resolve the issue within 60 days from today as per the available records. It is suggested that the possibility of refund of the premiums deposited may be considered if other method for settlement of claim appears to be not practicable under the particular facts and circumstances of this case.

The matter stands disposed of accordingly for the time being.

Guwahati Ombudsman Centre
Case No. : 21/01/137/L/06-07/GHY.
Smt. Urmila Talukdar
Vs
Life Insurance Corporation of India

Award Dated : 12.02.2007

Brief Facts leading to complaint

This is a complaint against repudiation of death-claim in connection with the policy particulars given as above. The complainant Smt. Urmila Talukdar is the wife of the insured Late Kanak Sen Talukdar. The complainant states that DLA (Deceased Life Assured) died an untimely death and left behind 3(three) minor daughters and 1 (one) son and on his death they are finding it difficult to keep the body and soul together. That the reason for repudiation of the claim was neither known to the DLA nor is known to them. That if and when the repudiation is upheld, matter may be re-considered by this Institution on humanitarian ground etc.

Opponent's view

In its self-contained note the insurer, through its A.O. (Claims), submits that the Policy in question did not acquire paid-up value before revival and it was revived after payments of premiums for two and half years. That as per evidence collected the DLA was on leave under medical ground w.e.f. 23.08.04 to 30.09.04. That as per doctor's certificate dated 06.09.04, the DLA was treated as outdoor patient in the Gastro-entriology Department of Guwahati Medical College from 06.09.04 i.e., 3 days prior to the revival, and was referred to attend Cancer Institute of Adiyar, Chennai/CMC, Vellore. That DLA did not disclose the fact of his suffering from such diseases while signing the DGH (Declaration of Good Health) on 09.09.2004 for revival of policy and hence the claim had to be repudiated and the order of repudiation was also upheld by the Eastern Zonal Office of the insurer (LICl) etc.

Decisions & Reasons

We find from the Office Note etc of the insurer, (it appears) that the DLA purchased two policies. One of the policy for sum assured of Rs.25,000/- was admitted for processing etc. But the present policy had to be repudiated as it was in lapsed condition w.e.f. 09/2003 and was revived only on 09/09/04 signing DGH. The certificate issued by the Assam Medical College has clearly stated that the DLA was being treated in Gastro-Enterology department of that College w.e.f. 06.09.04 as outdoor patient i.e.,

next before the date of revival of the policy. The D.G.H. was signed on 9th September,'04

The Medical attendant's certificate (Form No.3784 : Claim Form 'B'), and certificate by employer (Form 3787; claim form 'E') have clearly mentioned that DLA started suffering from 04-09-04 and died of Carcinoma of gall bladder. Thus, answering the question aforesaid in negative was not proper and correct. The employer of the DLA has issued a certificate stating that the DLA availed commuted leave on medical ground w.e.f. 23.08.04 to 30.09.04. Therefore, evidence collected by the insurer appears to be sufficient to establish that the policy in question was revived only after having the knowledge that the DLA was suffering from serious disease like cancer etc and policy was also in lapsed condition. Therefore, revival of policy was with concealment of material facts and it appears that repudiation of the claim under facts and circumstances as discussed, was done on the genuine grounds and there is hardly anything to agitate against such acts of insurer.

However, considering the collateral prayer of the complainant that the family has been led to great misfortune on the death of the sole earning member, some considerations from this Authority may be made to help them to come out of the sufferings to some extent. It appears that approximately, an amount of Rs.15,512/- has been deposited by the DLA as premiums in connection with the policy in question prior to his death and LIC may not lose much if, as a special case, an amount nearer to such amount is paid to the complainant as ex-gratia relief on the strength of provisions of Rule 18 of the R.P.G. Rules, 1998. This step is considered necessary by this Authority particularly in reference to the prayer of the complainant in the last few lines of complaint that 'in case repudiation is upheld she may be given some pecuniary relief'.

In view of the discussions aforesaid, it is hereby ordered that insurer will pay a sum of Rs.20,000/- (Rupees Twenty Thousand Only) as an ex gratia relief.

Guwahati Ombudsman Centre
Case No. : 24/01/112/L/06-07/GHY.
Smt. Dipali Bhuyan
Vs
Life Insurance Corporation of India

Award Dated : 01.03.2007

Facts (Statements and counter statements of the parties)

The grievance is for non-settlement of death-claims under the three policies despite approaches made by the complainant on the death of insured, her husband Late Joy Bhuyan on 27.12.2004.

The contentions of the insurer/LICI, inter alia, are that death claims under policy nos. 480684991 and 481840210 were admitted by the Competent Authority on 27.11.06 and the Branch concerned were advised to make payments. That in regard to policy no. 481841755, which was assigned to P.G. Bank, policy documents were received from the Bank, but on examination it was found that the claim under said policy was liable to be repudiated by setting aside the revival as it was found on investigation that the DLA (Deceased Life Assured) was bed-ridden on the day of revival of policy and had been under treatment of Doctors Dr. B.N. Sarma and Dr. B. Hazarika since 01/09/2004. Accordingly, the death claim in so far the sum assured was repudiated but the heirs of the DLA were held to be entitled to receive the 'paid-up value along with accrued bonus upto first unpaid premium (FUP) due on 28/03/03' etc.

Decisions & Reasons

We have considered the photocopies of the documents placed before us. The certificate by employer (Form No.3787/Claim Form E) stating that on 24th December, 2004, the DLA complained of illness and died on 27th December, 2004 and that DLA had availed sick leave on medical ground from 01/09/04 to 14/12/04 and again from 25/12/04 till 27/12/04. The certificate issued by Dr. Hazarika says that DLA was under his treatment from 25th December, '04 and expired on 27th '04 at 8.25 p.m. due to cardiac failure. It has rightly been pointed out that 'PERSONAL STATEMENT REGARDING HEALTH' for revival of the lapsed policy was signed by the DLA on 27th December, '04 i.e., on the date of death of DLA, which can be confirmed from the photocopy of such statement forwarded to this Office.

Therefore, we find that there is nothing wrong in the decision of the insurer/LICI and such decision requires no interference from this Authority.

Guwahati Ombudsman Centre
Case No. : 21/01/160/L/06-07/GHY.
Smt. M.Ibeyaima Devi
Vs
Life Insurance Corporation of India

Award Dated : 20.03.2007

Grievance

The grievance of the complainant Smt. M. Ibeyaima Devi is that on the death of her husband Shri W. Biren Singh the death-claim lodged by her has not been settled by LICI. She, being the widow of the Deceased Life Assured (DLA), has requested for reimbursement /refund of the money/amount already deposited so that it may be helpful to her family as she has no other source of income. She has sought for intervention of this Authority on humanitarian ground.

Reply

The contention of the LICI , inter alia, is that the DLA revived the policy on 09/08/03 on the basis of DGH (Declaration of Good Health) paid three quarterly premiums due from 01/03 to 07/03. Thereafter, the life assured died on 11.02.04 due to Alcoholic Cirrhosis with history of Alcoholism. He was a known Ethanollic for 10 years for which the claim had to be repudiated by Competent Authority for suppression of facts at the time of taking the policy as well as the at the time of revival of the policy. The order of repudiation was passed on 30/03/05 was duly communicated to the complainant, wife of the DLA vide letter of the LICI dated 15.05.05.

Decisions & Reasons

It appears that total quarterly premium paid was Rs.853.00 x 14=Rs.11,942.00 and at the time of revival three quarterly premiums amounting to Rs.2,559/- along with late fee of Rs.70.00 were paid. The copy of the proposal form shows that while filling up the proposal form in item no.11 under heading 'Personal History' all queries except one were answered in 'negative' thereby meaning, that the usual state of health of the proposer was 'good;' during last five years he did not consult any Medical Practitioner for any ailment requiring treatment for more than a week; he had never been admitted to any hospital or Nursing Home for general check up, observation, treatment or operation; he had not remained absent from place of work on ground of illness during the last 5 years; he had never used and does not use alcoholic drinks and that he was not suffering from ailments pertaining to Liver, Heart, Lungs, Kidney, Brain or Nervous System etc. The Discharge Summary issued by down town hospital, Guwahati has clearly mentioned that DLA Mr. W. Biren Singh reported to hospital with a complaint of

yellowish discolourization of the eyes and swelling of abdomen for last 20 days, history of known ethonolic for ten (10) years, and he was diagnosed to be a case of Cirrhosis of Liver with decompensation in precoma, and was managed conservatively. The date of admission being 05/02/04 and discharged being 07/02/04. The RIM Hospital of Imphal where DLA was treated from 7/2/04 till 10/2/04 (a day before the date of death) also issued a certificate that Shri W. Biren Singh was diagnosed as an Alcoholic Cirrhosis on his admission on 08.02.04. The employer of DLA also issued a certificate stating that DLA availed 30 days earned leave on medical ground w.e.f. 28.09.02 to 27.10.02 due to fracture of left leg.

It is also seen that it is a policy which ran for 3 years 3 months 25 days since DOC including the lapse period and after revival the duration of the policy was 6 months 2 days only. Thus, repudiation appears to be justified. But the complainant has also prayed for reliefs otherwise on humanitarian ground due to her pathetic financial condition.

Situated such, we find no ground to interfere with the decision of repudiation of the claim on merit but are of the opinion to grant an ex-gratia relief of Rs.15,000/- on the strength of Rule 18 of the R.P.G. Rules, 1998. The LICl may pay the same within reasonable time with intimation to this Authority.

Guwahati Ombudsman Centre
Case No. : 21/01/150/L/06-07/GHY
Smt. Geeta Mali
Vs
Life Insurance Corporation of India

Award Dated : 29.03.2007

Facts (Statements and counter statements of the parties)

The complainant states that her husband expired on 13th April, 2005 and death-claim in connection with the two policies above noted were made but were repudiated by LICl (Jorhat Divisional Office). That representation to Zonal Manager was also without any positive result. Hence this complaint.

The stand taken by the LICl is that the Deceased Life Assured (DLA) had given two different dates of birth, i.e., 09/06/63 and 20/04/64, in the concerned proposal forms. That LICl could procure certificate from employer of the DLA where his date of birth (DOB) has been stated as 28/06/1946 and thus, there was large difference to the extent of about 17 years or so in between the given ages and real age (collected from employer). That had the actual age been disclosed, the insurer would not have accepted his proposals and accordingly, as per terms and conditions of the policy, the death-claims were repudiated.

Decisions & Reasons

We have considered the views expressed by the parties and perused the documents and noted the contents thereof. Interestingly, it appears that the policies were accepted by the insurance company without 'age proof' and now at the time when the claims have arisen, it is demanding 'proof of age'. The complainant has stated that due to devastating fire her house was completely burnt down for which she is not in a position to supply 'age proof' certificate. It appears that in the policies different DOBs were given and hence there was scope for the insurance company to ask for clarification to remove the doubt before accepting the proposals. Evidently which was not done and now, the insurance company has raised the issue after collecting a certificate from the employer where a different DOB has been mentioned.

On the circumstances aforesaid, it appears that the DLA was in the habit of being casual in mentioning date of birth or it may so happen that the concerned Agent put the DOB at his sweet will or never tried to verify the same or to collect authenticated documents regarding proof of age before forwarding the proposals for acceptance of the insurance company. So, it was clearly a fault on the part of the Agent of the Insurance Company or the Insurance Company itself in accepting the proposals without proof of age and the insurer would be debarred logically to raise the issue now in order to repudiate the claim. It is brought to my notice that it is permissible as per the policy condition to recalculate the premiums as per the correct age at entry and the accumulated premiums along with interest on the difference of age may be recovered from the payable amount of claims. It is also brought to my notice that for both the cases in question under the mentioned plans, the DLA would have been eligible for entry, his correct age being 57 & 58 years respectively. We are of the considered view that repudiation of the claim on the ground shown is neither logical nor acceptable. There was perhaps no intentional suppression of age. At best it may be a confusion and inadvertent approach of both the sides for which the DLA alone cannot be punished. At any case, it is a default on the part of the LIC not to stick to verification of the age proof while accepting the proposal forms.

In conclusion thereof, we cannot agree with the view expressed and the decisions taken by the insurer. The act of repudiation is hereby set aside.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0207-2006-07
Sri P. Srinivasa Rao

Vs

Life Insurance Corporation of India

Award dated 16.10.2006

Head Notes: Complaint relating to repudiated death claim against LIC. Death due to consumption of bathroom cleaning acid. As per claim papers, life assured suffering from mental disorder at the time of revival – complaint dismissed.

FACTS OF THE CASE

Policy No.64615865 was taken on the life of (Late) Smt. P. Saraswathi from City Branch – 9, LIC, Hyderabad Division for Rs.25000/- sum assured under 91-20 (Plan & Term). The policy commenced on 28.03.2003 and it lapsed after payment of quarterly premium due on 28.03.2004. The policy was revived under non-medical revival scheme on the strength of a Declaration of Good Health on 14.03.2005. The life assured died on 17.07.2005 due to consumption of bathroom cleaning acid. As per the evidence collected by LIC, the DLA was known to be suffering from mental disorder since 1/2005. As per the police records, a case under Section 498 (A) of I.P.C. was booked and subsequently the Section of Law was altered on the basis of a written statement purportedly given by the father of DLA, stating that the DLA was a psychiatric patient for about five years prior to death.

LIC rejected the claim for reasons of suppression of material information relating to the psychiatric problem of the DLA. The evidence produced is clear enough to uphold the rejection of the claim by LIC. Hence the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0141-2006-07
Sri Meesala Govindarajulu

Vs

SBI Life Insurance Co. Ltd.

Award dated 20.10.2006

Head Notes: Repudiation of death claim by SBI Life under Group Policy No.82001128307 – Conclusive proof of treatment taken prior to joining the scheme not given by the insurer – Hence complaint allowed.

FACTS OF THE CASE

(Late) Smt. Meesala Anantha Lakshmi W/o M. Govindarajulu, became a member of Group Life Insurance Scheme of SBI Life's Super Suraksha Policy w.e.f. 23.07.2004. The member - life assured submitted a 'Good Health Declaration', at the time of joining the scheme and the scheme meant for the benefit of accountholders of SBI and its member banks. The sum assured is Rs.1 lakh for natural death. The life assured died on 24.09.2005 allegedly due to cancer. The claim was refused by the insurer on the ground that the DLA was suffering from cancer even prior to her enrolment into the scheme.

The insurer produced Xerox copies of outpatient ticket no.143216 issued by KGH, Visakhapatnam. The date of consultation was not very clear on the Xerox copy. The insurer claimed that it refers to 14.06.2002, while the complainant claimed that the date was 14.06.2005. The insurer could not substantiate his claim by submitting further evidence. Hence benefit of doubt was given in favour of the complainant and the complaint was allowed.

Hyderabad Ombudsman Centre
Case No. : L-21-002-0196-2006-07
Smt. Shobha
Vs
SBI Life Insurance Co. Ltd.

Award dated : 23.10.2006

Head Notes: Repudiation of death claim under Group Super Suraksha Policy on ground of suppression of material facts – Complaint Dismissed.

FACTS OF THE CASE

(Late) Pratap Singh became a member of the 'Super Suraksha' Group Policy issued by SBI Life. The LA became a member of the scheme w.e.f. 29.1.2005 and he died on 26.04.2005, reportedly due to Anasarca and Chronic Renal Failure. The life assured became a member of the group policy on the strength of a 'good health declaration'. During the course of enquires made by the insurer, it was revealed that the LA was suffering from TB for about six years. The insurer obtained medical record from doctors who have treated the DLA during the lifetime, who have certified about existence of TB prior to membership and about personal habits of alcoholism and smoking.

Finding the declaration of good health submitted by the DLA to be false, the insurer repudiated the claim.

The evidence produced the insurer clearly showed that the LA was suffering from TB prior to membership. As the final cause of death has a bearing on the previous treatment, the action of the insurer was upheld. In effect the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0218-2006-07
Smt. A. Saroja
Vs

Life Insurance Corporation of India

Award dated : 26.10.2006

Head Notes: Repudiation of death claim on grounds of suppression of material facts – Ex-gratia of Rs.10000/- allowed.

FACTS OF THE CASE

Policy No.652502783 for Rs.100000/- was taken on the life of (late) A. Gadilingappa, R/o Kalyandurg, Andhra Pradesh. The policy commenced on 15.11.2001 under 75-20 plan with quarterly premium of Rs.1730/-. The policy passed after payment of 11 quarterly instalments (up to 5/2004). It was revived on 18.07.2005 on the strength of a DGH and four quarterly instalments were paid at revival time. The LA died on 21.09.2005 due to kidney failure.

The complainant is the nominee under the policy. LIC investigated the claim and rejected it as they found out that the LA had treatment for chronic renal failure prior to revival of the policy. They obtained a certificate from Dr. A. Gopal Rao of Rayadurg relating to the treatment taken by the DLA prior to revival. The LA died in a hospital at Bangalore on 21.09.2005 due to chronic nephropathy Syndrome. As the insurer proved in a conclusive way about existence of disease prior to revival of the policy, the complaint was found to be devoid of any merit. However, considering the economic status of the complainant, it was decided to order an ex-gratia of Rs. 10000/-.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0120-2006-07
Sri B.C. Basavaraju
Vs
Life Insurance Corporation of India

Award dated 29.10.2006

Head Notes: Death claim repudiated by LIC for reasons of suppression of facts – complaint rejected.

FACTS OF THE CASE

(Late) Smt. Gowamma W/o Sri B.C. Basavaraju (Complainant) obtained a policy no.61414310 for Rs.50000/- sum assured from Madhugiri Branch of LIC, Bangalore Division-1. The policy commenced on 20.10.2003 under Table 14 for a 15-year period. The life assured died on 15.05.2004 allegedly due to heart complaint at her residence.

As the LA died in about 7 months from commencement of the policy, the insurer enquired into the merits of the case. As per their enquires the LA was under treatment for Diabetes Mellitus, Hypertension for about four years before issue of the policy. LIC obtained F.No.5152 from Dr. Nissar Ahmed, MBBS, Chitradurga to that effect and repudiated the claim.

During the personal hearing session, the complainant did not deny treatment taken from the said doctor but contended that treatment was only for minor ailments. The complainant further contended that BP and Sugar were at negligible levels. He further contended that the LA developed sudden chest pain after quarrelling with house-maid on the fateful day.

The evidence produced by LIC corroborate with the past history of treatment taken for DM & HTN. Hence, repudiation action was considered to be in order and the complaint was rejected.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0121-2006-07
Smt. Mallavva S. Jaller
Vs
Life Insurance Corporation of India

Award dated 29.10.2006

Head Notes: Death claim repudiated by LIC on grounds of suppression of material facts – Record of treatment prior to the commencement of policy submitted by LIC - complaint rejected.

FACTS OF THE CASE

(Late) Honnappa Siddappa Jaller obtained Policy No.637341548 for Rs.100000/- under Table 149-21 with a half yearly premium of Rs.2647/-. The policy commenced on 28.09.2004 and the LA died on 06.04.2005 due to encephalitis. As the LA died within 6 months from commencement, LIC enquired into the bonafides of the claim. As per their enquiries the LA had taken treatment from Dr. S.C. Bangalore, MBBS for presence of glands on the right side of neck. The obtained prescription slips given by the doctor, as per which the LA was prescribed Akurit-4 tablets for 45 days. LIC produced evidence of consultations on subsequent dates also from the same doctor. The insurer contended that the DLA was prescribed TB drugs as he was suffering from TB and AIDS. They obtained opinions from the DMR showing all the prescription slips obtained by them. As their DMR opined that the LA was under treatment for TB before commencement, they repudiated the claim.

The evidence produced by LIC suggests treatment taken for TB. Section 45 is not applicable and the insurer proved suppression of fact relating to treatment taken before commencement of the policy. Hence decision of LIC upheld and complaint was reject.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0126-2006-07
Sri Somasekhar
Vs
Life Insurance Corporation of India

Award dated : 07.11.2006

Head Notes: Death Claims under two policies repudiated by LIC alleging suppression of facts – Complaint rejected.

FACTS OF THE CASE

Late Smt. Laxamma W/o Somasekhar obtained two policies bearing no.722519725 for Rs.50000/- and 722520811 for Rs.25000/- from Sriranga Patna Branch of Mysore Division. These two policies were taken under Janaraksha Plan (91-Table) for a 20-year term. The policies commenced on 15.01.2003 & 15.02.2003 respectively with half-yearly mode of premium. The LA died on 05.02.2005 allegedly due to chest pain.

As claims occurred in less than three years, LIC enquired into the merits of the case. They came to know that the LA was suffering from renal disease one year prior to commencement of the policies and was undergoing haemodialysis for at least two years prior to death. Medical record relating to treatment from 12/2001 onwards was obtained by LIC. Further there was no cross reference of previous insurance in the policies. LIC also found out that the LA obtained two more policies bearing

nos.722662607 for Rs. 50000/- and 722622122 for Rs.50000/- from two other branches of their division. All the four policies were secured without mentioning about other assurances. LIC also contended that they would not have given insurance beyond Rs.50000/-, as the LA was a self-employed female.

Based on the evidence produced relating to treatment and due to non-disclosure of previous policies history, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0219-2006-07
Smt. N. Shanta Kumari
Vs
Life Insurance Corporation of India

Award dated 13.11.2006

Head Notes: Repudiated death claim under two policies for reason of non-disclosure of pre-existing disease – Complaint Rejected.

FACTS OF THE CASE

(Late) N. Ramchandra Reddy obtained Policy Nos.691661975 for Rs.27000/- and 693146366 for Rs.100000/- SA from CB-2 of Visakhapatnam Division. The policies commenced on 14.12.2000 and 28.09.2003 respectively. Policy No.691661975 was revived on 23.03.2004. The LA died on 25.10.2004 due to throat cancer.

As per the enquires of LIC, the LA was treated for throat cancer for about two years prior to the death. They obtained certificate from Lions District Cancer Treatment and Research Centre, Visakhapatnam regarding treatment taken.

The LA submitted a DGH on 23.03.2004 for revival of Policy No.691661975, in which he did not disclosed about treatment for cancer. The second policy also resulted into claim after duration of 1 year 27 days. As per claim forms B, B1 certified by doctors, the LA was certified to be suffering from cancer for 2 years 8 months before death.

As the policies were taken/revived without disclosure of previous illness and as conclusive proof was submitted by LIC, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-007-0148-2006-07
Smt. Anuradha Vijay
Vs
Max New York Life Insurance Co.

Award dated : 13.11.2006

Head Notes: Repudiation of death claim alleging suppression of material information – allegation not proved beyond doubt – Complaint Allowed.

FACTS OF THE CASE

Complainant is the nominee under Pol.No.239183353 and is wife of the deceased policyholder S.R. Vijay. The policy was taken for a sum assured of Rs.5.5 lakhs under whole life plan with a term insurance cover for Rs. 3 lakhs. The LA died on 14.10.2005 due to cirrhosis of liver with portal hypertension. The policy commenced on 01.10.2003 and death of LA occurred in about two years time from commencement of the policy.

The policy was issued under medical scheme and risk accepted with an extra premium for elevated liver enzymes.

The insurer rejected the claim stating that the LA did not disclose about history of liver cirrhosis which was diagnosed way back in 3/2001.

The LA was treated in Mallya Hospital at Bangalore in 03/2001 for enteric fever. The claim was rejected by the insurer based on the discharge summary report dated 19.03.2001 given by Mallya Hospital in which the radiologist gave an impression of cirrhosis of liver with portal hypertension. As the final cause of death was due to the same health problem, the insurer rejected the claim.

The medical reports submitted by the insurer as part of their evidence were referred to a specialist doctor at Hyderabad for expert opinion. The doctor gave an opinion that elevated liver enzymes does not conclusively prove existence of cirrhosis of liver.

However, the proposal was accepted after examination of the LA by a medical man of the insurer. The medical examination report contains two parts. One part of the report was completed by the LA and the second part by the Medical Examiner. In his part, the LA mentioned about the treatment taken in Mallya Hospital in 03/2001. The Medical Examiner of the Insurer also made a reference to the said report. The insurer insisted of collecting the information at that time itself, chose to accept the proposal with an 'extra premium'. Allegation of the insurer is not proved beyond doubt. Hence the complaint was allowed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0249-2006-07
Sri Jitendra Bagade
Vs
Life Insurance Corporation of India

Award dated 15.11.2006

Head Notes: Death claim rejected by LIC for reasons of incorrect information furnished in the proposal – Rejection action upheld.

FACTS OF THE CASE

(Late) Maruti S/o Dattatreya Bagade obtained Pol.No.660360599 for Rs.75000/- under Table 91-20 from Gulbarga-I Branch of LIC, Raichur Division. The LA submitted a proposal dated 16.05.2005 and the policy commenced on 14.05.2005. The LA died on 18.05.2005 allegedly due to chest pain. Sri Jitendra Bagade is the brother of the DLA and also the nominee.

Finding the claim to occur in just 3 days from the proposal date, LIC enquired into the merits of the claim. Their enquires revealed that the LA had another policy bearing no.660888853 for Rs.100000/-. The LA's wife Smt. Geetha was nominee under that policy and death claim was settled in her favour. Particulars of old policy were not furnished in the proposal for the current policy. As per old policy, the LA's age was admitted taking DOB as 01.06.1969 on the basis of a school certificate, whereas a self-declaration of age was given in the current policy proposal and DOB was shown as 02.04.1971. Other details relating to family history also deferred from old policy. Additionally the style of signature in both proposals deferred considerably.

The insurer rejected the claim for reasons of non-disclosure of previous policy and thereby suspected the bonafides of the claim under current policy.

The insurer contended that non-disclosure of previous policy made them to issue current policy readily. Had they come to know about existence of another policy for Rs.1 lakh, they would have enquired into the reasons for discrepancies in all material

information. The insurer also suspected fraud in taking the policy with brother as nominee. They obtained a letter from the widow of the DLA, appealing to LIC not to settle claim to her brother-in-law.

Considering the facts of the case, it was decided to uphold the repudiation action of the insurer.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0268-2006-07
Sri K. Sankaraiah
Vs.
Life Insurance Corporation of India

Award dated : 27.11.2006

The complaint is about repudiation of death claim under policy no.645051198, which was issued by Mahabubnagar branch of LIC on the life of (late) Kurva Yellappa. The policy was taken for Rs.50000 sum assured under New Janaraksha plan (91-15) and with the commencement date of 28.3.2003. The policy was under Non-Medical scheme of the insurer. The life assured died on 3.3.2005 allegedly due to sudden heart attack. The life assured's age was declared as 40 years at the time of proposal.

LIC rejected the claim stating that the LA's age was understated by about 10 to 15 years and claimed that they would not have issued the policy under the plan had there been a correct disclosure of facts. LIC secured voter lists to support their contention and they also tried to rely on the statement made by the claimant in Claim Form –A about age of the DLA. The insurer contended that the plan of insurance sought by the DLA is a special plan with special benefits, which are not available in other plans. Section 45 of the Insurance Act, 1938 is applicable and the insurer attributed the wrong statement of age to a deliberate action coupled with fraudulent intent. Though the insurer proved understatement in age, considering other factors of the case like unattested corrections in the proposal, role of LIC agent etc., it was decided to grant an ex gratia payment of Rs.10000. The complaint was partially allowed to meet the principles of equity and justice.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0305-2006-07
Smt. B.K.Kamala
Vs.
Life Insurance Corporation of India

Award dated 27.11.2006

The complaint in this case is about repudiation of death claim under policy nos.841053758 & 841054232. The policies were taken by late B.K.Kandappan on his life for a sum assured of Rs.50000 and 100000 respectively. The first policy was taken under Money Back plan (75-20) and the other one under Bima Kiran (T-111-27). The policies commenced on 28.11.2001 with half yearly mode of premium payment. The life assured died on 5.7.2004. Just before death, both policies were revived on 22.6.2004 and 29.6.2004 respectively. The complainant, who is the widow of the LA and also the nominee under the policies, claimed that her husband died due to sudden chest pain. The revivals were effected under non-medical scheme of LIC.

As per enquiries made by LIC, the life assured died due to pulmonary TB, AIDS and not due to sudden chest pain as claimed by the complainant. They obtained treatment particulars from the Government Hospital of Thoracic Medicine, Tambaram, Chennai, as per which the LA was treated from 24.11.2003 to 29.12.2003. The hospital record

further revealed that the LA was readmitted into the hospital on 8.1.2004 and discharged on 14.1.2004. There was a third spell of hospitalization from 16.3.2004 to 10.6.2004 with complaints of fever, vomiting, diarrhea. The LA was treated in the hospital with anti TB drugs, retro viral therapy and he was described in the case sheet as a person living with HIV and AIDS. As the hospitalization was prior to the revival of the policies and as the LA did not disclose these facts in his statement of 'Good Health' submitted for revival, LIC repudiated the claims. The complainant did not dispute the evidence produced by the insurer during the personal hearing session. As the decision of LIC was based on facts and records, it was decided to uphold their decision and the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0299-2006-07
Smt. G. Seetharatnam
Vs.
Life Insurance Corporation of India

Award dated 30.11.2006

The complaint is about rejection of payment of death claim under Pol. No.663421558. The policy was taken by late Garapati Abbulu for a sum assured of Rs.1,00,000 from Sindhanur Branch of LIC with the commencement date of 20.11.2004. The plan and term are 14-14 and the annual premium was Rs.7886.00. The life assured died on 12.8.2005 allegedly due to heart attack. LIC rejected the claim on the grounds that the life assured died due to kidney failure and not due to heart attack. They claimed that the life assured was treated in Narayana Hrudayalaya, Bangalore from 25.10.2004 to 28.10.2004 and obtained Discharge Summary from them to that effect. The case summary revealed that the LA was admitted into the hospital for observation with a history of exertional dyspnoea class-I since five years, past history of hypertension and renal problem. The LA was advised to consult a nephrologist for a regular follow up and he was also diagnosed to be having LV dysfunction of moderate to severe level at the time of discharge from hospital. As the LA did not disclose all these material facts, LIC rejected the claim.

As the claim was rejected by LIC based on well-supported hospital records, it was decided to uphold the rejection action. However, as the complainant made serious allegations about the role of LIC's Agent in submission of the proposal for the policy, it was decided to order for refund of the first premium paid on ex gratia basis.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0222-2006-07
Smt. G.Sandhya
Vs.
Life Insurance Corporation of India

Award dated 30.11.2006

(Late) Thungaturty Ravindrachary, Occ. Carpenter, resident of Miryalguda obtained policy bearing nos. (1) 602025517 and (2) 600487094 from Miryalguda branch of LIC. The sum assured under the first policy is Rs.5,00,000 and Rs.1,00,000 under the second one. The first policy commenced on 28.9.2002 and the second one on 14.7.2001. The plan and term are 153-20 and 133-25 respectively. The life assured died on 4.6.2003 allegedly due to sunstroke, while undergoing treatment in the Government Area hospital, Miryalguda. The nominee/complainant is the sister of the deceased policyholder.

The claim was rejected by LIC stating that the life assured was not having adequate income to maintain the policies, furnished incorrect family history in the proposal forms, suppressed past history of alcoholism etc. LIC obtained a certificate from MRO stating that the LA was having an annual income of Rs.6000 as per 1996 data. They obtained a letter from the father-in-law of the DLA, as per whom the LA was having an estranged wife with no children. However, in the proposal form it was mentioned that the LA had two living children. In the proposal forms, the LA's mother was shown as dead but she survived the LA. The LA was in the hospital for less than one day for his terminal illness and the doctor suspected chronic renal failure with history of alcoholism. The complainant refuted all the allegations of LIC and maintained that the LA was healthy at the time of issue of the policy.

Considering the meager income of the LA as revealed from MRO certificate, noting in the case sheet of the hospital about past history of alcoholism, incorrect family details in the proposal forms, it was decided to uphold the contention of the insurer. The complaint was therefore dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0334-2006-07
Sri P. Ramachandra Goud
Vs.
Life Insurance Corporation of India

Award dated 30-11-2006

The complainant filed a case against the decision of LIC to repudiate a death claim under Pol. No.600648044. The policy was taken on the life of late (Smt) P. Anjamma for a sum assured of Rs.50,000 from Nizamabad branch of LIC. The policy commenced on 8.11.2004 for a five year period under endowment plan (T-14). The life assured was aged 57 years at time of commencement of the policy and she was engaged in tailoring profession. She died on 11.4.2005 and her husband's claim for payment of death claim was rejected on the grounds of suppression of material facts.

The enquiries of LIC revealed that the LA died in NIMS and case sheet details revealed that the LA was hypertensive since 10 years prior to the issue of the policy and she was on regular medication with 'Amlog' medicine. As the life assured did not disclose her past history of hypertension, LIC repudiated the claim for reasons of suppression of material facts. The complainant contended that his wife was medically examined by LIC before issuing the policy and also that hypertension is not a disease. As per the case sheet obtained from NIMS hospital, the life assured was admitted into the hospital with complaints of fever for ten days, petechial rash, hematuria, ITP associated with bleeding etc. Based on the evidence produced and as Section 45 is not applicable, the complaint was not admitted.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0234-2006-07
Smt. M.Venkataratnalu
Vs.
Life Insurance Corporation of India

Award dated : 11-12-2006

(Late) Mudragadda Balaiah son of M. Subbaiah; Occ. Junior Asistant, CTO Office, Guntur obtained a policy no. 672870057 for Rs.50000 from City Branch-2 of LIC, Guntur. The policy was under Asha Deep plan (121-15) with a yearly premium of Rs.4281.00. The policy commenced on 15.1.2002 and the policy was issued under

medical scheme, as the life assured was aged 46 years at the time of proposal. The life assured died on 7.5.2003 allegedly due to Motor Neuro disease as per claim form-A given by the complainant. The life assured had another policy bearing no.672338491 issued in the year 2000 under Asha Deep plan and LIC settled death claim under that policy. As per record of LIC under the previous policy, the DLA claim sickness benefits under the previous policy much before issue of the policy under dispute. The life assured submitted a MRI scan film and claimed that he suffered a paralytic stroke on 13.12.2001. The life assured did not submit further requirements for payment of sick benefits under the policy and he died in about six months time from the date of paralysis. As the current policy was proposed after the alleged suffering from paralytic stroke, LIC rejected the claim on grounds of suppression of material information. The final cause of death in this case is due to paralysis and there was an application in his own handwriting from the life assured claiming Asha Deep sick benefits under a previous policy. As the insurer produced conclusive evidence to show that the life assured suffered a paralytic stroke before issue of the policy, the complaint was rejected.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0257-2006-07
Smt. K.Ramulamma

Vs.

Life Insurance Corporation of India

Award dated 14-12-2006

The complainant is the wife of the deceased policyholder. (Late) Sri Kurva Somanna obtained policy no.652593341 for Rs.40000 sum assured under Plan 106(Jeevan Surabhi) of LIC from Atmakur (K) branch. The policy commenced on 15.10.2000 and the life assured died on 28.9.2005 allegedly due to cirrhosis of liver. The policy lapsed after payment of annual premium due in 10/2003 and it was revived on 3.5.2005 on the basis of a declaration of good health (DGH). As per the complainant, death was due to a sudden heart attack. The insurer enquired into the bona fides of the claim and submitted evidence to show that the life assured was treated as an in-patient in NIMS, Hyderabad much before revival of the policy. As per evidence produced by the insurer, the DLA was treated in the hospital (NIMS) from 29.10.2004 to 26.11.2004. As per leave record obtained from the employer of the DLA, the life assured was on long medical leave prior to revival of the policy. The insurer contended that revival was secured without disclosure of hospitalization. They further contended that they had already paid a survival benefit amount of Rs.12000 to the life assured during his lifetime and offered a paid up value of Rs.7680.00 while rejecting the claim for full sum assured. In view of the convincing evidence produced by the insurer, the contention of the insurer was upheld and the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0284-2006-07
Smt. G.Satya

vs.

Life Insurance Corporation of India

Award dated 18-12-2006

Head Notes: Death claim under three policies rejected on the grounds of suppression of material facts. Insurer could prove that the LA was in a hospital taking treatment on the date of proposal. Complaint rejected.

Facts of the Case: (Late) G.Appa Rao, son of G.Tata Reddy, Occ: Vizag Steel Plant employee obtained policy nos. 692633510; 692633756 and 692638043 for Rs.30,000; 50,000 and 60,000 respectively from Gajuwaka branch of Visakhapatnam Division of LIC. The policies commenced on 28.3.2003; 28.3.2003 and 11.2.2004 under 14-17; 75-20 and 88-18 plans respectively. The LA died on 9.9.2004 allegedly due to heart attack. The enquiries of the insurer had revealed that the LA suffered from tremors prior to taking of the policies. They obtained Medical book issued by the Steel Plant Hospital, as per which the LA was treated in the hospital on 18.3.2003, which was the date of proposal in respect of policy no.692633510. Proposals for the other two policies were given subsequent to 18.3.2003. As per the medical book; the LA was known to have suffered from lacerated wound in 4th toe (Rt.), calculitis, tremors etc and was also known to be a chronic alcoholic since November, 2001. Since the LA did not mention all these facts in his proposals for insurance, LIC rejected the claim on the grounds of suppression of material information. Section 45 of the Insurance Act, 1938 is not applicable. As the insurer produced necessary evidence to show that repudiation was done on valid grounds and for valid reasons, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0290-2006-07
Smt. N. Baby Kumari
Vs
Life Insurance Corporation of India

Award Dated : 18.12.2006

Head Notes: LIC repudiated death claim under a policy on the grounds of suppression of material facts. Insurer produced medical records to show that material facts were not disclosed at the proposal stage. Complaint was rejected.

Facts of the case: (Late) N.Venugopala Swamy son of N.Dakshina Murty, Occ: Salesman in the Vizag Steel Plant Employees' Co-op. Society obtained policy no.692744247 for Rs.1,00,000 sum assured under New Bima Kiran plan (150-22), under SSS. The policy commenced on 11.7.2005 and the LA died on 31.8.2005. The complainant is the widow of the LA and the nominee under the policy. Her contention was that the LA died suddenly on 31.8.2005, in his sleep and that he was in good health condition at the time of proposal. As per the enquiries of LIC, the LA suffered from Disc Prolapse sciatica and nervous disability before issue of the policy and the LA was on medical leave for 19 days while undergoing treatment. Since the policy was obtained without disclosing about the medical leave and the treatment, LIC rejected the claim. The contentions of the insurer were well supported by relevant medical certificates and Section 45 of the Insurance Act, 1938 is not applicable. As it was proved by the insurer that the LA did not disclose correct information to questions no.11 (a) to (h), the complaint was not allowed.

Decision : Complaint rejected without awarding any relief.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0267-2006-07
Smt. Ratna Bai
Vs
Life Insurance Corporation of India

Award Dated : 27.12.2006

Head Notes: Repudiation of death claim on grounds of suppression material facts. Insurer submitted recorded evidence to show that material information was suppressed at the proposal stage. Complaint was rejected.

Facts of the case and Decision : The complainant is the wife of the LA under pol. No. 623964080. (Late) R. Umapathi obtained a policy for Rs.30,000 sum assured bearing pol. no. 623964080 with a commencement date of 28.7.2003. He was employed as a Head Master in the Government Model Higher primary Boys School, Thyavanige at the time of issue of the policy and he died on 1.5.2004. As per the contention of the complainant, the LA was healthy at the time of issue of the policy and he suffered from diabetes after issue of the policy in 07/2003. The insurer contended that the LA was treated in Bapuji Hospital at Davanagere as an in-patient for 12 days from 11.1.2002. At the time of treatment he was diagnosed to be suffering from NIDDM with alcoholic cirrhosis of liver. The LA was admitted into the same hospital for treatment during his terminal illness in 04/2004 and he died while undergoing treatment due to cirrhosis of liver. There was clear nexus between the final cause of death and the treatment taken prior to the issue of the policy. Section 45 of the Insurance Act, 1938 is applicable and the insurer submitted enough recorded evidence to show that the LA was not healthy at the time of proposal. As LIC could prove that material information was suppressed with a fraudulent intent, the complaint was rejected.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0294-2006-07
Smt. P.Vishalamma
Vs
Life Insurance Corporation of India

Award Dated : 28.12.2006

Head Notes: Repudiation of death claim on the grounds of suppression of non-payment of premium within the days of grace. Complaint rejected as the complainant could not establish payment of premium.

Facts of the case and decision :

(Late) P. Siva Kumar obtained a policy bearing no.621369242 for Rs.100, 000 sum assured under Bima Kiran Plan of LIC (T&T-111-20) and nominated his mother under Sec.39 of the Insurance Act, 1938. The policy commenced on 28.6.1999 and the life assured died on 5.2.2006. At the time of death, the first unpaid premium was due on 28.12.2005. As per policy conditions, a grace period of one month but not less than thirty days is allowed for payment of premium. If death occurs within the grace period, the sum assured is payable after deducting the premiums due within the policy anniversary. There is no dispute between the parties regarding non-payment of the premium due in 12/2005. The complainant contended that her son could not pay the premium due to domestic problems and also due to non-receipt of premium notice. The insurer offered refund of premiums amounting to Rs.8190.00 as per their rules, which was rejected by the claimant. The policy conditions are very clear about consequences of non-payment of premiums. The complaint was not allowed.

Hyderabad Ombudsman Centre
Case No. : L-21-002-0240-2006-07
Smt. K. Padmavathi
Vs
SBI Life Insurance Co. Ltd.

Award Dated : 28.12.2006

Head Notes: Life assured availed a housing loan from SBI and covered under a Group Policy. Claim rejected by the insurer as the LA committed suicide within one year. Complaint allowed partially on ex gratia basis.

Facts of the case and decision : (Late) K.V.Basaveswar Rao, R/o Pidiguralla Town obtained a housing loan from SBI and joined the Group Insurance Scheme namely 'Super Suraksha'. The scheme is meant for borrowers from SBI and its associated banks. The LA was sanctioned a loan of Rs.5 lakhs and was disbursed Rs.150000 as at the time of his death on 12.4.2006. He joined the scheme on 12.12.2005 and as per the terms of the Master Policy, death due to suicide within one year from the date of enrollment is not covered for payment of death claim. The life assured died due to drowning in the river Krishna. As per Police Inquest and Post Mortem reports, the life assured jumped into the river in a mentally depressed state. The LA's brother gave a statement to the Police, mentioning that his brother committed suicide. Death due to suicide within one year from the date of joining the scheme is excluded from coverage as per policy conditions. However, as the insurance company collected a single premium for the full term of the policy for the full value of loan and as the loan disbursed was only Rs.150000, the insurer was asked to refund Rs.10000 on ex gratia basis.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0228-2006-07
Smt. Parvathamma
Vs
Life Insurance Corporation of India

Award Dated : 29.12.2006

Head notes: LA committed suicide within one year from the date of vesting under a CDA plan. Complaint allowed partially and ex-gratia to the tune of premium refund allowed.

Facts of the case and decision: The complainant obtained a policy no. 720708886 for Rs.12000 sum assured on the life of her minor son Sri Arkasha. The policy was taken under a CDA plan (Table-50-14) with a deferment period of seven years. The policy commenced on 28.9.1997 and the LA was 11 years old at the time of issue of the policy. The vesting date was 28.9.2004 and the life assured committed suicide on 10.3.2005. As per policy conditions, death due to suicide within one year from the vesting date is not covered for payment of any benefit under the policy. However, as per clause 3 of the special provisions under the policy, in case of death before the vesting date, refund of premiums can be allowed. Further, the policy provides for payment of full sum assured in the event of the LA dying after one year from the vesting date. No logic was found in the suicide clause and hence the insurer was ordered to refund the premiums collected on ex gratia basis.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0309-2006-07
Smt. Aswathamma
Vs
Life Insurance Corporation of India

Award Dated : 29.12.2006

Head Notes: Payment of death claim under three policies rejected by LIC on the grounds of delayed intimation of death and suppression of material facts. Complaint dismissed.

Facts of the case and decision : (Late) G.N.Satyanarayana obtained three policies bearing nos. 611395848; 611395892; 61278821 from Pavagada and Tumkur branches of LIC. The sum assured under the policies are Rs.25000; 50000 and 22000 respectively. The policies commenced on 15.12.1999; 28.2.2000 and 28.3.2000 respectively. The life assured died on 18.8.2000 and the complainant claimed moneys from LIC on 12.5.2005. LIC repudiated the claim under the policies stating that the claims were barred by limitation and that the policies were obtained by suppressing material information about the state of health of the life assured at the time of proposals. The insurer contended that due to delayed intimation, they were denied an opportunity of getting full information about the cause of death of the LA and other details. The insurer contended that as per their enquiries, the LA died due to suicide and he suffered psychiatric problems for about five years before death. They contended that the LA was treated by Dr. M.T. Satyanarayana, Head, Psychiatry Department, Siddartha Medical College, Vijayawada during the years 1994 to 1999. All policies were taken in quick succession to secured monetary gain and reference about previous policies was not furnished in the proposals given. During the personal hearing session, the complainant admitted that her husband was treated by the doctor whom the insurer was referring to. As the circumstantial evidence pointed towards suppression of material information, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0256-2006-07
Sri K. Ravi
Vs
Life Insurance Corporation of India

Award Dated : 29.12.2006

Head notes: Repudiation of death claim. Complainant gave a disclaimer initially agreeing to withdraw his claim. Subsequently he changed his stand and claimed that he signed only on blank affidavit. Complaint allowed partially to the tune of refund of premium on ex-gratia basis.

Facts of the case and Decision : The complainant is the brother of the DLA and the Nominee under the disputed policy. (Late) K.Venkateswar Rao R/o Bandipalem obtained a policy bearing no.673091348 for Rs.1,00,000 sum assured from Jaggiahpet branch of LIC. The policy commenced on 23.1.2004, under 14-16 Plan and with an annual premium of Rs.6344/-. The LA died on 14.4.2004 allegedly due to sunstroke as per the complainant. This policy was obtained while reviving a previous policy no. 671774318 for Rs.50000 sum assured on 23.1.2004. As the previous policy had run for a longer duration and as the nominee under previous policy was the LA's mother, LIC settled claim under the Rs.50000 policy and they repudiated claim under the latest policy. As per enquiries of LIC, the LA died due to AIDS, but they could not secure any documented evidence to that effect. As a part of their enquiry they obtained a disclaimer from the complainant, which was sworn before a Notary Public, in which the complainant declared that the disputed policy was obtained by his deceased brother on the basis of fraudulent information given in proposal.

The complainant contended that his brother died suddenly due to sunstroke and not due to AIDS as alleged by the insurer. He further claimed that he signed the sworn declaration thinking that it was a routine paper for settlement of the claim. The complainant pleaded that he does not understand English, the language in which the notarized statement was prepared and that he was misled by the Agent of LIC. All the correspondence with this office regarding the complaint was made by the complainant

in English, which suggest that he is taking the guidance of some knowledgeable person while dealing with the claim. Hence the contention of the complainant was not accepted. However, considering the other pleadings of the complainant regarding financial background, it has been decided to order an ex-gratia payment in the form of refund of the first premium.

Hyderabad Ombudsman Centre
Case No. : L-21-009-0241-2006-07
Smt. Veena pai
Vs

Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 03.01.2007

Facts of the case and Decision: (Late) Sri Viswanath Pai obtained a policy bearing no.0012235357 for Rs.1 lakh sum assured from Bajaj Allianz Life Insurance Co. under their 'Unit Gain Main Cover' plan with the commencement date of 27.10.2005. The life assured died on 9.11.2005 i.e. within 11 days from the commencement date due to carcinoma of lungs, while undergoing treatment in KMC Hospital, Mangalore. As per the running case sheet obtained by the insurer, the LA died primarily due to broncheogenic carcinoma and the duration of illness was recorded as five months. As per case sheet, the LA was suffering from breathlessness for 5 months and cough with expectoration for five months before death. The LA was also diagnosed to be suffering from diabetes a month before his hospitalization for terminal illness and he was on tab. Glimiperide. The LA also was known to have a personal history of TB, HT, bronchial asthma and ischemic heart disease as per KMC Hospital record. During investigations, the insurer found out that the LA's father suffered from cancer of colon and the LA's brother died of leukemia. As the LA did not disclose his personal history of persistent cough for five months and family history of cancer etc. the claim was repudiated by the insurer through their letter dated 6.6.2006. Section 45 of the Insurance Act, 1938 is not applicable.

A personal hearing session was held on 22.12.2006 at Bangalore in which both sides participated. The insurer submitted relevant hospital records. The complainant contended that her husband did not know that he was suffering from symptoms of cancer when he made the proposal on 25.10.2005. She claimed that the corporate agent of the insurer knew her husband very well and certified that he was in good health at the time of proposal. She contended that her husband came to know of his disease on 6.11.2005 and pleaded for admission of the claim. She referred the order dated 3.10.2006 of NCDRC in Revision Petition no.1696 of 2005 in the case of Praveen Damani Vs. oriental Insurance Co. Ltd. Wherein it was held that the claim was valid if the insured was unaware of the pre-existing disease.

After examining the evidence placed on record, the contention of the insurer was accepted and the repudiation action was upheld. However, as the premium paid by the LA contained some investment portion, the insurer was directed to refund the accumulated value of the savings portion of the premium.

Hyderabad Ombudsman Centre
Case No.L-21-002-0275-2006-07
Sri M. Rajesh
Vs

SBI Life Insurance Co. Ltd.

Award Dated : 31.01.2007

Head Notes: Life Assured obtained a housing loan from SBI and joined a group insurance policy. The LA was murdered and the insurer rejected the claim on the plea that the Nominee under the policy was involved in the murder of his mother and hence had no insurable interest. After a personal hearing the insurer was asked to wait for the final outcome of the criminal case from a competent court of law.

Facts of the case and Decision : (Late) Smt. M.Vajaya Lakshmi borrowed a housing loan of Rs.6 lakh from SBI, Yellareddyguda branch, Hyderabad and joined the 'Super Suraksha' Master policy meant for the borrowers of housing loans from SBI and its associated banks. The LA submitted a proposal- cum- Good Health Declaration form dated 29.8.2003 to join the policy and paid a single premium of Rs.16596.00. She nominated her son Mr. M.Rajesh under the provisions of Section 39 of the Insurance Act, 1938. As per records, the LA was murdered on 6.11.2005 and the prime suspects in the murder are the LA's son and husband. The contents of the FIR indicate that the LA was engaged in immoral traffic, which finally led to her murder by her own son and husband.

The insurer rejected the claim on the ground that the LA obtained an ex-parte divorce order, which is suspicious. The insurer suspected moral hazard in the transaction and as the nominee was directly involved in the crime as per FIR, they rejected the claim.

During the personal hearing session, the Nominee/Complainant pleaded innocence about the murder and stated that another woman also was murdered along with his mother on the same day and in the same premises. He contended that the police have not completed their investigation and a charge sheet is yet to be filed.

Considering the contentions made by both sides, it was felt that the repudiation action was taken by the insurer in a hasty manner. Hence the insurer was directed to review their decision after receiving a final judgment from a competent court of law.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0344-2006-07**

Smt. B.Satyavathi

Vs

Life Insurance Corporation of India

Award Dated : 31.01.2007

Facts of the case and Decision:

(Late) Sri B.Satyam Naidu, a resident of Booripet obtained a policy bearing no.693547048 for a sum assured of Rs.30,000 from Rajam branch of LIC. The policy commenced on 28.12.2004 under 'Janaraksha Plan' (T No.91-20) with a yearly premium. The LA died on 31.1.2005 due to jaundice and as the claim was a very early claim occurring in just one month from the commencement of the policy, LIC investigated into the bona fides and repudiated for reasons of non-disclosure of material facts. As per the evidence produced by LIC, the LA underwent a Barium Meal test in MIMS (Maharaja Institute of Medical Sciences), Nellimarla on 21.2.2004 with I.P.No.627 and was diagnosed to be suffering from stomach cancer.

A personal hearing into the complaint was held on 24.1.2007 at Hyderabad and both sides attended the session. The complainant did not totally deny treatment taken from MIMS, Nellimarla, but she contended that her deceased husband took treatment for stomach pain. She further stated in one of her letters addressed to LIC that her husband took herbal medicines for treatment of jaundice just one week before death and was cured of the disease. Considering the duration of the policy, nature of disease suffered by the LA during his terminal illness, information given by the complainant to

LIC about usage of herbal medicines, it became evident that the LA was not in good health at the time of making the proposal. Hence, the decision of the insurer was considered to be justified. However, considering the appeal of the complainant that she hails from a very poor family, it was decided to order an ex-gratia payment of Rs.10,000 to the complainant.

In essence, the complaint was allowed partially.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0331-2006-07**

Sri G. Mattiah

Vs

Life Insurance Corporation of India

Award Dated : 31.01.2007

Facts of the Case and Decision:

(Late) Smt. G. Anjamma obtained a policy bearing no.670020130 for Rs.50,000 sum assured from Narasaraopet branch of LIC, with the commencement date of 20.4.2005. The LA nominated her brother Sri G.Mattiah as the beneficiary under Sec.39 of the Insurance Act, 1938. The LA was engaged in handloom weaving and was aged 36 years at the time of proposal. The LA died on 2.10.2005 and claim occurred in about 5 month's time. As per claim papers submitted to LIC, the LA died due to spinal cord injury. The claim was rejected by LIC through their letter dated 7.12.2005.

A personal hearing session was held on 20.12.2006 at Hyderabad in which both sides were represented. The insurer contended that the LA was not healthy at the time of proposal in 05/2005 and she suffered a bone fracture in 03/2005. As per the insurer, the LA was admitted into Susmita Ortho & Trauma Care Hospital, Narasaraopet on 12.4.2005 with a history of weakness of all four limbs since one month. She was discharged from that hospital on 21.4.2005 in a very bad condition. The insurer produced a certificate in their form B-1 in which the last medical attendant certified that the LA was suffering from Quadriplegia due to cervical cord compression and the doctor did not mention about injury anywhere in his statement.

The complainant/Nominee contended that the LA suffered spinal cord injury after an accidental fall on 10.7.2005, which finally led to her death on 2.10.2005. He contended that the period of treatment was from 10.7.2005 to 20.7.2005 for the injury and not before commencement of the policy.

Section 45 of the Insurance Act, 1938 is not applicable as the claim was rejected within a period of 2 years from the date of risk on grounds of suppression of material facts relating to the health condition of the LA.

After examining the evidence placed on record, it was decided to uphold the repudiation action taken by LIC. The case was dismissed without any relief.

**Hyderabad Ombudsman Centre
Case No.L-21-009-0315-2006-07**

Smt. Ch. Durgamma

Vs

Bajaj Life insurance Co. Ltd.

Award Dated : 31.01.2007

Facts of the case and Decision:

(Late) Chakka Pitchiah obtained a policy bearing no.0008524952 for a sum assured of Rs.2,50,000 from the insurer under 'Unit Gain' plan. The policy commenced on

20.4.2005 and the LA was engaged in hotel business. He was 54 years old and the policy was taken on a 25 year term. The LA died on 25.2.2006 and cause of death reported to the insurer was for natural reasons. The complainant is the nominee under the policy and she raised the present complaint before this office after refusal of her claim by the insurer through their letter dated 19.7.2006. Section 45 of the Insurance Act, 1938 is not applicable. A personal hearing session was held on 24.1.2007 at Hyderabad and both sides attended the session.

The LA died in about 10 months time and the policy was issued under non-medical scheme. As per evidence secured by the insurer, the LA had undergone ECG test on 14.1.2002 and he was shown to be of 70 years old at that time. The insurer produced a copy of Health Card from SSH Dispensary dated 7.2.2001, wherein the LA was shown as 75 years old and was stated to have been treated from 14.2.2005 to 20.2.2005.

The complainant contended that her husband visited a doctor on 14.11.2002 because of body pains. He had undergone ECG as suggested by the doctor and no problem was noticed in the ECG. In the month of 04/2005, the LA consulted a Homeo doctor for knee pains, which was a minor problem. She contended that there was no understatement of age of the LA and there was no history of treatment for any disease.

After personal hearing session and after examining various papers submitted by both sides, it was felt that the insurer has not proved in a convincing manner about suppression of material information. As the insurer could not produce any substantial evidence to prove their point, the complaint was admitted and the insurer was asked to pay benefits under the policy.

Hyderabad Ombudsman Centre

Case No.L-21-001-0380-2006-07

Smt. M.Ravanamma

Vs

Life Insurance Corporation of India

Award Dated : 31.01.2007

Facts of the Case and Decision:

(Late) M. Malli Babu S/o Bapanna obtained a policy no.693403757 for a sum assured of Rs.1 lakh from Rajam branch of LIC. The policy was taken under 'jeevan Anand' plan (T-149-16) with a half yearly premium of Rs.4285.00 and the commencement date was 26.3.2004. The LA died on 22.5.2005 due to renal failure. As death claim occurred within a period of one year, LIC enquired into the bonafides of the claim and repudiated the claim vide their letter dated 31.3.2006. The claim was rejected stating that the LA understated his age at the time of proposal and did not disclose information about previous insurance policies while proposing for the present policy.

A personal hearing session was held on 24.1.2007 at Hyderabad and both sides were present and submitted their contentions. The insurer contended that during the course of their investigations, they came to know that the LA had a previous policy bearing no.690342135 for Rs.60,000 and it matured on 28.3.2005. As per the old policy, the LA was born on 1.12.1943, while the DOB declared under the present policy was 1.7.57. They contended that there was a clear understatement in age by 14 years and alleged that the LA made a deliberate understatement to commit a fraud on them.

The complainant contended that she was not aware of the previous policy as the maturity value was claimed by the LA during his life time. She claimed that her husband was given the present policy based on a voter identity card, which is a valid

age proof. She requested for settlement of the claim pleading that her husband was not well educated to know the intricacies of various kinds of age proofs.

After the personal hearing session and after examination of various papers, it became evident that there was an understatement of age by 14 years. The LA was found to be at fault for not disclosing correct information at the time of proposal. However, considering the fact that the proposal was accepted under medical scheme, it was decided to award an ex- gratia relief in the form of refund of amount paid as premiums. In effect, the claim was allowed partially.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0335-2006-07**

Smt.K.Satyavathi

Vs

Life Insurance Corporation of India

Award Dated : 31.01.2007

Facts of the Case and Decision:

The complainant is the nominee under the disputed policy no. 693039454 and is the widow of the DLA. Her husband, late K.Narsinga Rao obtained the policy from Narsipatnam branch of LIC for a sum assured of Rs.1 lakh. The policy commenced on 7.6.2003 (T-149-21) and the LA died on 30.6.2005. The claim was rejected by LIC vide their letter dated 31.3.2006, stating that the LA did not disclose his actual condition of health when the policy was revived on 2.3.2005.

A personal hearing session was held on 24.1.2007, in which the complainant was not represented.

As per facts of the case, the policy lapsed after payment of the monthly premium of 01/2004 and it was revived on 2.3.2005 by paying 13 months premiums, which were in arrears. The revival was done on the basis of a 'State of Good Health' and claim occurred in about four months time after revival. LIC obtained a Certificate in claim form no.5152 issued by the Civil Asst. Surgeon of Government TB & FP Clinic, Narsipatnam, as per whom the LA was treated as an out-patient since 2.8.2004 with history of cough, fever, breathlessness and HIV. The insurer contended that they would not have revived the policy in the event of disclosure about past treatment.

The complainant contended that her claim is genuine and LIC rejected her claim on some statements made by their neighbours out of envy and jealousy.

Considering the evidences placed on record, it was decided to uphold the decision taken by LIC and the complaint was dismissed without any relief.

**Hyderabad Ombudsman Centre
Case No.L-21-006-0333-2006-07**

Smt.Tarani Meena

Vs

Birla Sunlife Insurance Co. Ltd.

Award Dated : 08.02.2007

Facts of the Case and Decision:

(Late) Sri Venugopal Ramaswamy obtained two policies bearing nos. 000075954 and 000460316 from the insurer in 03/2003 and 9/2005 respectively. Policy No. 75954 was

taken under 'Flexi Cash flow' plan for a sum assured of Rs.1,50,000 with the commencement date of 12.3.2003. The second policy no.460316 was taken under 'Classic Life' plan for a sum assured of Rs.5 lakhs and it commenced on 8.9.2005. Policy no.75954 covered three types of riders namely (i) Accidental death & dismemberment rider (ii) Critical illness rider (iii) Term rider. These riders are in addition to the basic life coverage.

The LA died on 24.1.2006 due to cardio pulmonary arrest, after a prolonged illness. The insurer settled claim for basic sum assured under policy no. 75954 and rejected Critical Illness benefit. They also rejected total claim under the second policy, alleging that the LA did not disclose material information about his state of health while proposing for the policy. The C.I. benefit under Pol. No.75954 was rejected stating that the LA did not suffer from 'Stroke', coming within the meaning of the term defined in the policy conditions.

A personal hearing session was held on 13.12.2006, in which both sides participated.

The insurer contended that C.I. benefit under the first policy could not be paid, as the LA did not suffer any paralytic stroke. The LA had his first spell of hospitalization for his terminal illness on 16.9.2005.

With regard to the other policy, the LA submitted his proposal on 28.6.2005. As the case sheet of hospital revealed that the LA was having a history of chronic alcoholism, the insurer rejected the claim stating that the LA did not disclose his personal history of alcoholism. This point was refuted by the complainant, stating that her husband had disclosed about his habit of taking drinks. She also contended that the second policy was issued after a medical examination by a doctor designated by the insurer.

After a careful examination of the evidences placed on record, it was decided to order for payment of claim under the second policy for Rs.5 lakh sum assured. It was also decided to uphold the decision of the insurer regarding payment of C.I. benefit under the first policy.

Hyderabad Ombudsman Centre

Case No.L-21-001-0423-2006-07

Smt.Ratnasree

Vs

Life Insurance Corporation of India

Award Dated : 22.02.2007

Facts of the case and Decision:

(Late) N. Srinivas obtained a policy bearing no.663085363 for Rs.50,000 from Raichur branch of LIC. The policy commenced on 26.2.2003 under plan 91 for 21 years. The LA died in a road accident on 22.7.2004. As per police records and Post Mortem report, the LA was under the influence of alcohol at the time of accident.

Based on the claim papers received, the insurer settled the claim for basic sum assured of Rs.50000 and rejected double accident benefit stating that the benefit is not payable as per exclusion clause provided under CI. 10(b)(i). The present complaint is against the decision of LIC not to pay accident benefit amount. The insurer quoted the judgment given by NCDRC, Delhi under FA No.368/2004 as a case law, whereunder it was held by the Hon'ble Forum that the construction of the particular word "intoxication" and its meaning are to be read within the terms and conditions of the policy.

The complainant, who is the Nominee under the policy, contended that her husband was not drunk at the time of accident and that the Police filed the FIR at the behest of

the owner of the opposite vehicle involved in the accident. The LA was riding a motorcycle at the time of accident and the opposite vehicle involved was a heavy vehicle.

After hearing the contentions of both sides it was decided to uphold the decision taken by LIC, as the exclusion clause provided in the policy is very clear about non-payment of the benefit when the LA is under intoxication. In effect the complaint is dismissed.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0419-2006-07
Smt. K.V.Lalithamma**

Vs

Life Insurance Corporation of India

Award Dated : 22.02.2007

Facts of the Case:

(Late) K. Ramappa s/o Thimmaji obtained policy no.660998180 for a sum assured of Rs.1,00,000 from Hospet branch of LIC. The LA nominated his wife Smt. K.V.Lalithamma under Sec.39 of the Insurance Act, 1938. The policy commenced on 5.6.2003, under T-149-16 with a half-yearly premium of Rs.4785.00. The LA died on 7.11.2004 and his age at entry was 57 years. The policy was completed under Medical scheme of LIC. The policy completed duration of 1Y-5M at the time of death.

As the claim turned out to be a very early one as per standards of LIC, they investigated it repudiated on 27.3.2006 on the grounds that the LA did not disclose about his voluntary retirement from service on health grounds. The LA was employed with Indian Railways and he took VRS w.e.f.28.2.2003.

As per evidence obtained by LIC, the LA was treated as an in-patient in the Railway Hospital for hypertension since 25.5.2001. He was on regular treatment thereafter and he was treated in the hospital from 29.6.2002 to 27.11.2002. The doctors of Railway hospital have recommended for VRS on health grounds and the LA applied for VRS on 19.11.2002. He was discharged from service on 28.2.2003. The LA however did not disclose the details of previous treatment and reasons for his voluntary retirement from service in his proposal dated 4.6.2003. The insurer produced a photo copy of the medical pass book issued by the Railway Hospital to support their action of repudiation of claim.

DECISION

The LA was aged 57 when he applied for insurance and his proposal was completed on the strength of a medical report. The LA did mention in his proposal that he was a retired employee of Railways. This indicates that the insurer had a fair chance of knowing further about the retirement status and about actual condition of health. Hence, there appears to be some failure on the part of the insurer in getting required data before issuing the policy. Considering the other facts, it was decided to award an ex-gratia payment of Rs.50,000.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0332-2006-07
Smt. Vanitha Laxman Raghunathi**

Vs

Life Insurance Corporation of India

Award Dated : 22.02.2007

Head Notes: Life assured had two policies on his life and died within a short period from the commencement dates of the policies. LIC repudiated the claims on the plea that the LA did not disclose his personal medical history correctly. Evidence submitted by LIC was found to be in order and hence the complaint was dismissed.

Facts of the case:

(Late) Laxman Venkatesh Raghunathi, Agricultural Assistant in the office of the Asst. Director of Agriculture, Sirsi obtained policies bearing nos. 632187163 for Rs.50000 and policy no.638815586 for Rs.30000 from Sirsi branch of LIC with commencement dates of 25.3.2003 and 20.3.2004 respectively. The policies were issued under Plan 14-20; 14-15 respectively and under SSS scheme. The LA died on 15.11.2004. As the claims were treated as early claims, LIC investigated the claims and repudiated the same as they came to know that the LA was under treatment even before commencement of the policies. As per evidence collected by LIC, the LA was admitted into Rotary Charitable Hospital, Sirsi on 3.10.2002 with complaints of abdominal pain, viral hepatitis and was discharged on 5.10.2002. Further, the enquiries of LIC revealed that the LA was a chronic alcoholic and death was due to alcoholic cirrhosis. As the life assured did not disclose about his hospitalization in 10/2002 for viral hepatitis, LIC repudiated the claim vide letter dated 9.3.2005. Section 45 of the Insurance Act, 1938 is not applicable.

Decision : LIC settled death claims under some more policies which were held by the LA, which come under non-early category. As per the complainant, the LA suffered from illness for about a month before death, while the insurer contended that the LA was suffering from hepatitis since 3.10.2002. They have also pleaded that there is a nexus between the final cause of death and the disease for which the LA was hospitalized in 10/2002. As the evidence produced by LIC was found to be in order, the complaint was dismissed for reasons of non-disclosure of material information.

Hyderabad Ombudsman Centre

Case No.L-21-001-0392-2006-07

Smt. Renuka Barki

Vs

Life Insurance Corporation of India

Award Dated : 26.02.2007

Head Notes: Early death claim on a policy for Rs.30000 sum assured. Death occurred due to suicide and the LA had a proven past medical history of mental illness. Claim was rejected by LA for reasons of suppression of past medical history. Based on the evidence produced by LIC, the complaint was dismissed without any relief.

FACTS OF THE CASE AND DECISION :

Late Laxman Barki, the LA under policy no.637188463 submitted a proposal for the policy to Haveri branch of LIC on 8.8.2003. He nominated his sister Smt. Renuka under Sec.39 of the Insurance Act, 1938. The LA allegedly committed suicide on 23.11.2004 by falling under a running train and as per police records, it was held to be a case of suicide due to mental illness. As the LA died in about one year-three months period from the commencement date of the policy, LIC investigated the claim. As per forms secured by LIC, the LA was treated in Manasa Nursing Home at Shimoga from 14.10.1995 to 20.10.1995 for mental disorder. The cause of death also was attributed to mental disorder by the complainant in her claim forms given to LIC. The LA was treated in the Government Mental Hospital, Dharwad from 9.4.2004 to 8.5.2004. As the final cause of death is due to mental disorder, the insurer could establish a clear nexus between the past medical history and cause of suicide. As the insurer's repudiation

action was found to be based on proper evidence, it was decided to uphold the repudiation action and accordingly the complaint was dismissed.

**Hyderabad Ombudsman Centre
Case No.L-21-002-0304-2006-07**

Smt. Chandini

Vs

SBI Life Insurance Co. Ltd.

Award Dated : 28.02.2007

Head Notes: Life assured was a borrower of housing loan from SBI and joined a group insurance policy of the insurer. Claim was repudiated on the plea that the life assured was suffering from a critical illness even prior to joining the policy. The evidence produced did not indicate any past medical history and hence the complaint was admitted.

Facts of the case and Decision :

(Late) Sri Ramesh borrowed a loan of Rs.7,50,000 from SBI, Mangalore branch for house construction purpose. He joined "Super Suraksha" master policy of SBI Life, by submitting a good health declaration form dated 23.11.2004. The group policy is meant for housing loan borrowers of SBI and its associate banks. As per policy conditions, risk coverage is available for the outstanding loan as per original EMI schedule together with outstanding interest. The LA died on 10.3.2006 due to Hepato Cellular Carcinoma while taking treatment in City Hospital Research & Diagnostic Centre, Mangalore. The claim was repudiated by the insurer stating that the LA was suffering from liver disease prior to the date of joining the scheme. A personal hearing into the matter was held on 14.2.2007.

The insurer produced copies of prescriptions dated 24.11.2004 and a certificate from a doctor named Dr. B.V.Tantry in which it was stated that the LA was suffering from jaundice and other ailments for about one and half months before. The complainant contended that her husband was healthy at the time of proposal for insurance. The LA was working as a Junior Traffic Assistant in New Mangalore Port Trust, Panambur. She contended that her husband first consulted a doctor on 8.1.2006. She also contended that the investigator appointed by SBI Life misbehaved with her when he came for investigating the claim. She claimed that the investigator demanded some money for a favorable report and on her refusal to pay money; the investigator submitted fabricated medical report dated 24.11.2004 from Dr. B.V.Tantry and the insurer repudiated her claim on the basis of that report. She claimed that the investigator of the insurer fabricated some certificates purported to have been issued by Dr. B.V.Tantry to take revenge against her for her refusal to pay money. It was also held by her that she lodged a police case against the investigator for his alleged misbehavior with her. It was her claim that her husband was not treated in the hospital in the year 2004 as made out by the insurer.

After personal hearing session and after examining all the papers produced by the insurer, it was decided to reject the contention of the insurer. The insurer was ordered to admit the claim as per policy conditions.

**Hyderabad Ombudsman Centre
Case No.L-21-009-0438-2006-07**

Sri V.Surya Naraya

Vs

Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 28.02.2007

Head Notes: Death claim under a unit Linked policy. Evidence produced by the insurer proved that the LA was under treatment for hypertension prior to the issue of the policy. Complaint was allowed on ex gratia basis to an extent of refund of the investment portion

Facts of the case and Decision :

(Late) Varasala Bhimayya, aged 56 years at the time of proposal, obtained policy no.1854778 for a sum assured of Rs.75,000 from the insurer under a Unit Regular policy. The policy was issued under a non-medical plan and it commenced on 19.10.2005 with an annual premium of Rs.15,000. The LA died on 11.7.2006 i.e. within 9 months from the commencement of the policy and the insurer rejected the claim vide their letter dated 22.11.2006 on the plea that the LA was suffering from hypertension for three years before the issue of the policy.

Before death, the LA fell from a staircase on 28.6.2006 and fractured his left hip. He was advised complete bed rest and on 11.7.2006 he died of heart attack. The LA was treated by Dr. R.Ramakrishnam Raju during the terminal illness and he was the family physician of the LA. The doctor knew the LA for about ten years and as per the doctor, the LA was suffering from hypertension for about three years and was prescribed Aten-50. He was under the treatment of Dr. Krishnam Raju as an outpatient. The insurer also obtained a questionnaire completed by a family member of the LA, who had declared that the LA was using medicines for hypertension for about one year. As the insurer has established suppression of material information, the complaint was found to be not entertained. However, as the policy has a provision for savings, the insurer was ordered to refund such investment portion on ex gratia basis.

**Hyderabad Ombudsman Centre
Case No.L-21-002-0354-2006-07
Sri B.S.Sivaramakrishna
Vs
SBI Life Insurance Co. Ltd.**

Award Dated : 12.03.2007

Head Notes: Life assured obtained a housing loan from State bank of Mysore and became a member of group 'Super Suraksha Plan' of SBI Life for coverage of outstanding loan. Death claim repudiated on the plea that the LA was suffering from critical illness prior to joining the scheme. Insurer could not prove convincingly about existence of disease prior to membership. Hence complaint was admitted.

Facts of the case and Decision :

(Late) S.B.Beleri, aged 53 years, occupation- Security Guard in State Bank of Mysore, Bhadravathi, became a member of the group 'Super Suraksha Plan' of SBI effective from 5.11.2003. The LA submitted an application cum Good Health Declaration of even date to join the plan. The group policy is meant for borrowers of housing loan from SBI and its associate banks. The LA secured a housing loan from SBI, Shimoga branch and to get insurance coverage on the outstanding loan, he became a member of the super suraksha plan.

The LA died on 15.9.2005 due to HIV. The death claim payment was rejected by the insurer on the plea that the LA was a HIV patient even before becoming a member of the scheme.

A personal hearing was held at Bangalore on 14.2.2007. The insurer contended that the insurer was infected with HIV about two years before his death and produced a

certificate issued by one Dr.H.R.Devendrappa. As per the doctor's report, the LA was admitted into the hospital on 5.9.2005 with complaints of diarrhea, cough for three months. In the hospital, the LA was diagnosed to be suffering from HIV. It was recorded in the case sheet that the LA was first observed to be suffering from the disease about two years before. The insurance company took back the origin of the disease to 09/2003 in a very arithmetical manner and came to the conclusion that the LA was affected with the disease even before joining the scheme.

The complainant contended that his father was not having any knowledge of the disease till 09/2005 and he was regular in going to his office till 08/2005. Owing to general weakness and frequent fever his father went to Nanjappa Hospital for treatment. In that hospital only, his father was tested positive for HIV.

After hearing both sides and after examining the evidence placed on record it became evident that the insurer rejected the claim without obtaining adequate evidence to prove that the LA was tested positive for HIV before 5.11.2003. As the insurer did an arithmetical calculation of deducting 2 years from the doctor's report to arrive at the onset of the disease, the insurer's contention was not accepted. The complaint was admitted and the insurer was asked to settle the claim.

Hyderabad Ombudsman Centre
Case No.L-21-001-0463-2006-07
Smt. U.Sudha Rani
Vs

Life Insurance Corporation of India

Award Dated : 14.03.2007

Head Notes: Death claim under two policies rejected by LIC on the plea that the LA did not disclose about existence of previous policies. The complaint was dismissed as it was found that the LA failed to disclose previous insurance particulars.

Facts of the Case and Decision: (late) U. Ramesh obtained two policies bearing nos. 6723083305 for Rs.2,00,000 and 672368239 for Rs.1,00,000 in 02/2001 & 06/2002 respectively. The L A died on 27.9.2004 and the claim was repudiated on 29.4.2005. Section 45 of the Insurance Act, 1938 is applicable. As the claim under the two policies was treated as 'early' one, LIC enquired into the merits of the matter. As per enquiries of LIC, the LA had another policy bearing no.672356954 for Rs.2 lakh taken under Plan 113-30 for which a proposal was submitted on 14.2.2001.Thus the LA had three policies in all on his life at the time of death. The proposal for pol. no.672308335 was given on 15.2.2001 and proposal for the third policy no.672368239 was given on 28.6.2002. As per LIC, the LA did not mention about existence of the first policy while giving proposal for the second policy. So also the LA did not disclose details of the first and second policies in the proposal for third policy. LIC settled claim under the first policy no.672356954 for Rs.2 lakhs as it was the first policy and treated omission of details of earlier policies in the remaining policies as a deliberate act on the part of LA to commit a fraud on them. All the three policies were taken under medical scheme of LIC. LIC contended that the LA submitted the proposals in different branches to avoid scrutiny. The contention of LIC was accepted and the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No.L-21-009-0464-2006-07
Smt. K.Swaroopa
Vs
Bajaj Allianz Life Ins. Co. Ltd.

Award Dated : 21.03.2007

Facts of the case and Decision:

The complainant is the nominee under the policy no. 11552753 for a sum assured of Rs.5 lakhs taken by (late) Kandukuri Dayakar. The policy was 'Unit Gain' plan and the LA paid first installment premium of Rs.10,000. Term of the policy was 31 years. The LA died on 9.12.2005 allegedly due to white jaundice. The claim was rejected by the insurer vide a letter dated 3.8.2006 alleging that the insured had grossly overstated his income in the proposal dated 30.9.2005. The insurer also held in their rejection letter that the claimant submitted an invalid death certificate containing discrepancies. A personal hearing session was held on 27.2.2007 at Hyderabad in which both sides were represented.

The insurer contended that the LA declared an annual income of Rs.150000 in the proposal, while their enquiries revealed that the LA's income was only Rs. 30000 as per ration card for the year 1998-2003. The insurer also claimed that the widow of the LA was mentioned as the head of the family in the ration card. The insurer further claimed that the complainant could not produce a fresh ration card for the current year and hence they rejected the claim.

The complainant produced a certificate issued by Mandal Revenue Officer (MRO) of their town showing an income of Rs.98,000. The complainant also declared that he owns a General Stores and Telephone booth from which they get substantial income. She informed that she declared the sources of income to the MRO to get an income certificate. From the insurer's side there was no record to disprove the certificate issued by the MRO. The complainant further produced a revised death certificate showing correct date of death. During the personal hearing session the insurer's representative informed that they would have given a sum assured of Rs.5,00,000 for an annual income of about Rs.1 lakh. As the policy was issued to the DLA after obtaining a Moral hazard Report from the Agent/Sales Team Manager, it was decided to allow the complaint. The insurer was ordered to settle claim as per policy conditions.

Hyderabad Ombudsman Centre

Case No.L-21-001-0458-2006-07

Smt. V. Madhavi

Vs

Life Insurance Corporation of India

Award Dated : 26.03.2007

Facts of the case & Decision:

(Late) V. Niranjan Reddy obtained policy nos.670686205 and 671466311 from Ongole branch of LIC. The first policy commenced on 15.3.1993 for Rs.25000 and the second policy on 15.3.1997 for Rs.25000. The policies were revived on 10.12.2004 and 20.8.2004 respectively on non-medical basis by submitting DGH. The LA died on 31.12.2004 and the claims under both policies were rejected by LIC on grounds of suppression of material information at the time of revival. LIC offered to pay paid up value under the policies, but the complainant approached this office for admission of claims for the full sum assured.

The cause of death was cancer of buccal mucosa of rt.cheek with secondaries in liver and brain. The insurer investigated the claim and found out that the LA was under treatment since 15.10.2003 for ulcer in mouth. LIC collected relevant hospital records in support of their repudiation action. As LIC could prove beyond doubt about the LA's

suffering from disease prior to revival of the policies, repudiation of claims was upheld. LIC's decision to offer paid up value under the policies was held to be in order.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0445-2006-07**

Smt. S.Radhika

Vs

Life Insurance Corporation of India

Award Dated : 27.03.2007

Facts of the case & Decision:

(Late) Settipalli Harikrishna obtained policy no.840686049 for a sum assured of Rs.2 lakhs from Atmakur(N) branch of LIC under T-107-T-20 with a half yearly premium of Rs.9272.00. The policy commenced on 28.1.2001 and it lapsed after payment of first premium. The policy was revived on 9.5.2002 under medical scheme, on the basis of a DGH dated 30.4.2002 and after collecting two installments premium. The policy again lapsed from 07/2003 due month and again it was revived on 13.9.2004 by paying 3 half yearly installments. The second revival also was done on medical basis. The LA died on 2.1.2005 due to suicide. As the claim occurred in a very short period from the date of revival on 13.9.2004, LIC investigated the claim. They found out that the LA met with a road accident on 28.4.2003 and the LA's rt. leg below knee level was amputated and the cause of suicide was attributable to the heavy debts raised by the LA for his treatment. The DGH dated 12.9.2004 did not contain details of accident or amputation. LIC contended that they would not have revived the policy in the normal course had there been a disclosure by the LA about amputation of his leg. As the LA was found to submit a false DGH they rejected the claim.

A personal hearing of both sides was held on 15.3.2007. The complainant contended that the agent of LIC did not pay premiums to LIC even after collecting money from her late husband. The Agent of LIC arranged for medical examination. She contended that the signatures on the DGH do not tally with her deceased husband's usual signature.

After hearing the contentions of both sides and examining the papers produced, it was decided to allow an ex gratia relief in the form of refund of the amount paid at the time of second revival that took place on 13.9.2004. In effect, the complaint was allowed partially.

**Hyderabad Ombudsman Centre
Case No.L-21-002-0446-2006-07**

Smt. P.Dharmavathi

Vs

SBI Life Insurance Co. Ltd.

Award Dated : 28.03.2007

Facts of the case and Decision:

(Late) P.V.Suryanaraya became a member of 'SBI Life Super Suraksha', a home loan insurance policy for the borrowers of SBI group effective from 27.9.2004. The LA borrowed a home loan from SBH, Anakapalle and joined Group policy no.83001000507. The LA availed a second housing loan from SBI Anakapalle and became member of another group policy no.83001000203 w.e.f 8.11.2005. The loan from SBI was Rs.4,92,000 and loan from SBH was Rs.3,50,000. The LA died on 19.2.2006 due to liver cancer. The claim under both policies was rejected by SBI Life vide their letter dated 27.9.2006, stating that the LA submitted a false DGH to join the schemes. A personal hearing of both sides was held on 15.3.2007 at Hyderabad.

Contentions of Insurer: Admission into the policies was based on two separate Good Health Declarations. As per such declarations, the LA should not be suffering from any physical defect or deformity at the time of joining and he should be in sound health. As per the scheme, persons suffering from any physical defect or deformity are not eligible to become members. As per their investigations, the LA was a physically handicapped person with 50% disability. He got a government job under P.H. quota and as such was not eligible to join the schemes. Had the LA disclosed about his disability, they would not have admitted into the schemes. The insurer was not medically examined before entry into the schemes.

Contentions of the complainant: Her husband joined a Government job in the year 1986 and he worked as a Teacher till his death without taking any kind of help from others. He was having only residual polio and not suffering with defect or deformity. Her husband did not die of deformity but died due to liver cancer. Before entering the scheme, her husband discussed with the bank authorities about his deformity and the bank officials did not object to his joining the schemes. Further, her husband's deformity was clearly visible to viewers and his disability was not a thing that could be hidden.

Decision: The main reason for rejection of the claim was non-disclosure of the disability of the life assured. The insurer produced medical leave record of the LA as a part of their defense. As per leave record, the LA was on sick leave from 13.9.2005 to 22.9.2005. This leave is prior to the LA joining policy no.83001000203. Hence, the action of the insurer was upheld. Considering the duration of the membership under Policy no.83001000507, it was decided to order the insurer to settle claim on gratis basis. In effect, the complaint was allowed partially.

Hyderabad Ombudsman Centre

Case No.L-21-001-0442-2006-07

Sri V. Jakeer

Vs

Life Insurance Corporation of India

Award Dated : 30.03.2007

Facts of the case & Decision:

(Late) Smt. V.Haseena w/o Sri V. Jakeer obtained a policy bearing no.841320285 for Rs.28000/- from Piler branch of LIC. The policy commenced on 28.3.2002 under new Janaraksha plan (T&T91-15). The LA paid a half yearly premium of Rs.1034-00 and she was a cultivator as per proposal form. The LA died on 7.6.2003 allegedly due to high fever. When the complainant submitted claim papers, LIC investigated the claim as the LA died in a very short period from the commencement date of the policy. As per the investigation of LIC, the LA had another policy for Rs.1 lakh sum with a policy no.840507757. The details of this policy were not mentioned while securing policy no.841320285. LIC rejected claim under the policy for Rs.28000/- and settled claim for Rs.1,00,000 under the first policy. The contention of LIC is that they give insurance to self-employed females up to a maximum of Rs.1 lakh and insurance beyond that will be subject to a matching policy being there on husband's life. In the present case as the LA's husband was not holding any matching insurance, LIC rejected the claim on the subsequent policy.

The complainant contended that his wife paid three premiums in all with her hard earned money and requested for payment of full claim.

A personal hearing of the parties was held on 28.3.2007. The complainant remained absent for the session and he did not deny the grounds of repudiation. As LIC could

establish that the LA failed to disclose about a previous policy for a high sum assured of Rs. 1 lakh, the repudiation action was upheld and accordingly the complaint was dismissed without any relief.

**Hyderabad Ombudsman Centre
Case No.L-21-009-0469-2006-07**

Sri I.Ramalingeswar Rao

Vs

Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 30.03.2007

Facts of the case & Decision:

(Late) Smt. Itha Sathyavathi, a resident of Vijayawada obtained a policy bearing no. 10098354 for a sum assured of Rs.150000 under 'Unit Gain' plan and paid a first premium of Rs.30,000.The policy commenced on 18.8.2005 and the LA died on 22.3.2006.The complainant is the son of the LA and the nominee under the policy. The LA died as a result of a sudden heart attack. As the LA died in about seven months from the commencement of the policy, the insurer enquired into the bonafides of the claim. As per their enquiries, the LA was known to be a diabetic for about three years before death. This information was given in the Last Medical Attendant certificate produced by the claimant. The complainant also admitted to the fact of treatment of his mother for diabetes. The main contention of the insurer is that the LA did not disclose about her medical history of diabetes in her proposal form dated 03.8.2005 and pleaded that they would not have issued the policy had there been a disclosure about treatment for diabetes.

The complainant in his submission during a personal hearing session held on 28.3.2007 stated that his mother used to take oral pills for diabetes and she never faced any problem with diabetes. He stated that her diabetes was well under control and his mother was kept in dark by the agent about specific reply given to the relevant question in the proposal. He further mentioned that his mother was aged 58 years at the time of policy issue and his mother signed on the dotted line as per the suggestion of the agent.

After hearing the arguments of both sides and after examining the papers produced, it became evident that the insurer succeeded in proving that the LA did not disclose about her history of diabetes. Hence it was decided to uphold the rejection action and offer refund of the first premium paid as ex gratia relief.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0470-2006-07**

Smt. P.Saradamma

Vs

Life Insurance Corporation of India

Award Dated : 30.03.2007

Facts of the case and Decision:

The complaint is about three policies taken on the life of (late) P.Nagabhushanam, Driver in APSRTC. Policy nos. 650292691; 650523409; 841852558 were taken under SSS. The policies commenced on 28.11.1990; 20.3.1995; 28.4.1998 respectively for Rs.50000; 25000 & 10000.The LA was murdered on 23.6.2000 and LIC settled claims only for basic sum assured. Though the policies were covered for accident benefit, LIC rejected payment of AB on the plea that the LA was murdered in a faction feud. As per record, the LA was involved in another murder case and he was on a conditional bail

on the date of his murder. The LA was to report in a particular police station every day as a part of conditional bail and on the fateful day his enemies intercepted the bus in which he was travelling and murdered him. As the LA's murder was provoked by his involvement in another crime, LIC interpreted that murder in this case does not fall within the scope of accident defined in the policy conditions. They also cited the judgment given by NCDRC, New Delhi in appeal no.204 of 1999 in which the Hon'ble forum clarified when a murder amounts to accident. As per the Hon'ble Forum, if the dominant intent of the perpetrator of a crime is to kill a particular person, the act murder cannot be called as an accident.

The complainant contended that her husband had no criminal record. According to her, her husband was murdered due to mistaken identity. She further pleaded that as all the accused in her husband's murder were let off by the Sessions Court dealing with the case, the murder should be treated as an accident. She further stated that she received similar accident benefit from New India Assurance Co. Ltd. under a policy no.61020/47/00438 for Rs.1 lakh on the basis of an award passed by the OFFICE OF INSURANCE OMBUDSMAN-HYDERABAD during 2005-06 under Award No.G-94.

Decision: As the complainant made a reference to an old award of this office, the facts of the matter were carefully examined. The LA was murdered on 23.6.2000 and the final verdict of the Trial Court was given vide judgment dated 29.3.2005. All the accused in the murder of the LA were let off by the court giving benefit of doubt in favour of the accused, for want of concrete evidence. The Trial Court observed several loose ends in the presentation of case by the Prosecution. The manner in which the act of murder was committed clearly shows that the murder was a pre-planned act. The insurer referred to the Hon'ble Supreme Court's judgment in Rita Devi & others Vs. M/s New India Assurance Co. Ltd. Wherein the court held that the proximate cause of murder is to be looked into to decide whether a particular murder is to be treated as an 'Accident' or not.

This view of the Hon'ble Supreme Court of India was discussed at length by the Hon'ble NCDRC while considering Appeal No.204 of 1999 in the case between Prithvi Raj Bhandari Vs. LIC & Others. While delivering the judgment, the Hon'ble National Commission reiterated the view expressed by the Hon'ble Supreme Court and held that intent of murder is the primary factor to decide whether a murder is to be treated as an accident or not. It was also held by the Hon'ble Commission that though the accused was not found in the case, the decision to treat the case as murder simplicitor was arrived at on the basis of the nature of injuries inflicted on the victim.

As the case of the LA in the present case is not a case of indiscriminate killing, the murder amounts to 'murder simplicitor' and not an accidental murder. The decision given by this office under Award No.G-94-2005-06 cannot be taken as an established case law, as the core issue of complaint at that time was condonation of delay. Further, the latest judgment of NCDRC was pronounced subsequent to the award No.G-94-2005-06. Hence it was decided to dismiss the complaint.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-115/2006-07
Shri.A.V.Shiju
Vs

Life Insurance Corporation of India

Award Dated : 17.10.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim by the respondent under Pol.No.782753481 held by the mother of the complainant. The policy was issued on 7.12.2002 based on a proposal for insurance dated 1.12.2002 where under all health related questions were answered as if the life assured was hale and hearty. However, the life assured died on 12.5.2005 due to multiple Myeloma, CAD and Cardio-respiratory arrest. The investigations conducted by the insurer proved that the life assured was diagnosed to be suffering from Myeloma as early as in 2001 and it was further confirmed by the Regional Cancer Centre, Trivandrum in February 2002. The policy had commenced only in December 2002. The life assured was an SSLC holder and it was improbable that she was not aware of the seriousness of her problems. In any case, the suppression of pre-proposal illness being very obvious, the insurer had repudiated the claim. on going through the medical reports, this Forum also was convinced of the case as true and therefore the action of the insurer in repudiating the claim was upheld. The complaint was dismissed as devoid of merits.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-084/2006-07
Smt.Lathika Ramachandran
Vs
Life Insurance Corporation of India

Award Dated : 26.10.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim by the insurer under Pol.No.392561123 held by the husband of the complainant. The policy commenced in July 2002 and the life assured died on 3.1.2005 at MCH Kottayam due to Diabetic nephropathy Grade V, acute renal failure Type 2 Diabetes and Ischaemic heart disease. The Doctor of MCH Kottayam had certified that the life assured was suffering from Diabetes for the past 16 years. He was also reportedly under treatment at Mavelikkara before his admissions at MCH Kottayam. In the proposal, all health related questions were answered as if the life assured was hale and hearty. The circumstances of the case being analysed objectively, it was clear that all these serious diseases could not have developed or aggravated all on a sudden and that the life assured was fully aware of them even at the time of proposing for insurance. The suppression of material facts being very clear, the action of the insurer in repudiating the claim was upheld and the complaint was dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-163/2006-07
Sri.Kuriakose T.
Vs
Life Insurance Corporation of India

Award Dated : 05.12.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to non-payment of accident benefit under life insurance policy no.774269957 held by late Alice K A, wife of the complainant. The policy was reportedly issued by the insurer in March 2003 without accident benefit and no loading for the said benefit was also included in the instalment premium. The life assured had died on 17.8.2005 in a traffic accident. However, the proposal for insurance was on non-medical basis and the life

assured had suppressed two spells of medical history and hospitalisation for Myasthenia Gravis in 1999 and 2001. Even in such circumstances, considering the fact that the policy had run for nearly 2 ½ years, the insurer had paid the basic sum assured plus vested bonus on EX-GRATIA which the claimant had accepted in full and final settlement of all claims. The accident benefit was not payable as per the policy issued and, besides, the ex-gratia payment itself extinguished any further claim on the policy. In the circumstances, the complaint was found to be devoid of merits and the same was dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-117/2006-07
Smt.Dolly Kuriakose
Vs
Life Insurance Corporation of India

Award Dated : 12.12.2006

The complaint under Rule No.12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim under Policy No. 773502618 held by the husband of the complainant. The policy had commenced on 28.6.2000 and the same was revived twice on 30.4.2003 and 26.7.2004 on the basis of declarations of good health at the relevant points of time. All the same consequent on the death of the life assured on 28.3.2005, the investigations revealed that the life assured was suffering from brain tumor right from April 2003 during which period of time, the first revival was effected. From 27.4.2003 to 30.4.2003, the life assured was an inpatient at the Jubilee Mission Hospital, Trichur and the C.T.Scan done on 29.4.2003 had diagnosed the problem as "low grade glioma in right frontal region". In these circumstances, the claim was repudiated for suppression of material facts at the time of revival. There was no paid up value accrued on the policy as on the date of revival and therefore nothing was payable to the complainant. In the circumstances of the case, the decision of the insurer to repudiate the claim was found to be on solid grounds and hence the same was upheld duly dismissing the complaint.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-180/2006-07
Smt.Ramla Beevi
Vs
Life Insurance Corporation of India

Award Dated : 12.12.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim under Pol.No.781485988 held by the husband of the complainant. The policy had commenced on 10.6.98 and it was revived on 19.10.2005 by paying 7 quarterly premia cumulatively. The revival was supported by a Medical report and a personal statement of health. The life assured died on 30.10.2005 and from the investigations and reports received from Medical College, Thiruvananthapuram, it was revealed that the life assured was suffering from Hypertension and Diabetes since 1 year and chronic kidney disease for 1 ½ months. Haemodialysis was also done on 15.10.2005. All these facts were not mentioned in the personal statement of health, which, as per the complainant was written out by the agent. The insurer had initiated action against the agent as well as the Medical Examiner. However, although the life assured also should have been careful about whatever was written out in the statement of health, as a lowly educated man, he could

not be blamed entirely. But, the misrepresentation of facts being of a very serious nature, the revival repudiation alone by the insurer was upheld even while the insurer was asked to reimburse 50% of the revival arrears paid on 19.10.2005 as ex-gratia, on humanitarian grounds.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-219/2006-07
Shri.K.Babu
Vs.
Life Insurance Corporation of India

Award Dated : 31.1.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to revival repudiation of a life insurance claim under Pol.No.781785808 held by late Smt.R.Bindu, wife of the complainant. The policy under Table & Term 125-20 had commenced from 9.7.99, but lapsed from April 2002 onwards. It was revived on 28.6.2004 on the basis of a DGH which declared the life assured hale and hearty. However, the medical records obtained by the insured proved that the life assured was a patient of tuberculosis meningitis right from 9.10.2003. She had inpatient treatments at ESI Hospital and the Medical College, Trivandrum. These details having been found concealed in the personal statement submitted for revival of the policy on 28.6.2004, the claim was repudiated by the insurer. However, on a closer scrutiny of the records, it was doubtful whether the life assured or her husband was really aware of the serious health problems of the life assured as they were very lowly educated and struggling for their livelihood. While the stand of the insurer in repudiating the claim was fully justified, as there were misrepresentations in the DGH, considering the pitiable circumstances of the complainant and possible unintentional misrepresentations in the DGH, a small ex-gratia of Rs.3000/- was allowed even as the repudiation was upheld.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-002-186/2006-07
Smt.Sujatha Udayan
Vs.
SBI Life Insurance Co.Ltd.

Award Dated : 31.1.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of repudiation of a claim by the insurer under a Group Insurance policy covering outstanding housing loans of SBI Group customers. The complainant's husband had raised a loan from SBT, Kodannur and thus joined the above scheme based on a DGH wherein the life assured was declared healthy in all respects. When a claim arose, the insurer had caused an investigation and found that the life assured was suffering from certain health problems which were not mentioned in the said DGH. The life assured died on 16.6.2005 due to Cirrhosis of liver, Hepatic encephalopathy etc. within a period of 8 months and a few days after joining the scheme. The investigations by the insurer reportedly revealed that the life assured was suffering from Diabetes for the past six years. The medical certificate from AIMS Kochi stated that he was under treatment from Nov.2003. However, the complainant maintained that although treatment for Diabetes was being taken for 2-3 years, conditions like Cirrhosis of liver and Hepatic encephalopathy were diagnosed only on admission into the hospital. Other than a vague statement by the medical attendant and the Investigator, the insurer had not produced any evidence to support their argument relating to concealment of a critical

illness by the life assured and hence the claim was allowed within the financial limits of the policy setting aside the repudiation.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-185/2006-07
Smt.Judy Fermine
Vs.
Life Insurance Corporation of India

Award Dated : 01.2.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of revival repudiation of a life insurance claim under Pol.No.773512167 held by the husband of the complainant. The life assured died on 16.7.2004 due to Cardio-pulmonary arrest, septicaemia etc. at Lourdes hospital, Kochi. The policy had lapsed from Nov.2003 and it was revived on 26.5.2004 on the strength of a personal statement where under the life assured was declared to be hale and hearty. But, the investigation of early claim proved the facts to be otherwise. The life assured was an inpatient of PVS Hospital, Kochi from 24.4.2004 to 5.5.2004 and again from 26.5.2004 to 23.6.2004. The final diagnosis of the problem at the hospital was cirrhosis of liver/portal hypertension/alcohol related disease and Diabetes. In fact, the second spell of admission of the life assured at PVS Hospital, Kochi was from 26.5.2004 and on the same day the policy was revived on the strength of the DGH. The concealment of material facts being abundantly clear, the insurer had repudiated the revival. This Forum found the action of the insurer justifiable in every respect and therefore the complaint was dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-253/2006-07
Shri.K.G.Narayana Kurup
Vs.
Life Insurance Corporation of India

Award Dated : 07.03.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of repudiation of a life insurance claim by the respondent under Pol. No. 391946562 issued to Smt. Syamamma - wife of the complainant. The life assured died on 25.6.2005 while the policy had commenced only on 5.3.2004. The early claim investigations proved that the life assured was diagnosed of "carcinoma pancreas" at the Lakeshore Hospital, Kochi on 23.2.2004 itself and since then she was undergoing various treatments including palliative therapy. The insurer had obtained all documents from the hospital. The life assured was an employee of the Alappuzha Dist.Co.Op.Bank Ltd.and on 20.2.2004 she had applied for commutation leave from 23.2.2004 to 28.2.2004 for the purpose of consultations at the hospital. The insurance proposal was submitted on 6.3.2004 suppressing all these serious health conditions and hence the claim was repudiated by the insurer. On going through the records, it was revealed that the insurer had clinching evidence to substantiate the repudiation, which was therefore upheld by this Forum as fully justifiable. The complaint was accordingly dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-251/2006-07
Smt.Usha Ramachandran
Vs

Life Insurance Corporation of India

AWARD DATED 08.03.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim by the insurer under Pol.No.391907728 held by the husband of the complainant late Sri.Ramachandran. The deceased life assured was a Cash Peon in the South Indian Bank and he was under treatment for hypertension for about 20 years. The life assured expired on 29.6.2005 at the Amritha Hospital, Kochi due to complications arising out of renal failure, septicaemia and systemic hypertension. The systemic hypertensive heart problem was detected by a Doctor even as early as on 26.12.2003 whereas the insurance proposal was submitted on 15.7.2004 without disclosing the serious health problems being suffered by the life assured. The insurer had conducted an investigation and they had solid proof to support the repudiation which was upheld by this Forum too. However, there were certain extenuating circumstances in the case. The widow was no in penury after the death of her husband and her house itself is under threat of attachment by the creditors of her husband. The complainant has two young daughters pursuing education and they have no means of livelihood except for the meagre salary of her son. The earlier insurance policies of her husband were all surrendered during his life time. Considering these agonizing circumstances, even while upholding the order of repudiation passed by the insurer, this Forum allowed an ex-gratia of Rs.5000/- to the complainant under Rule No.18 of the RPG Rules 1998 and the complaint was disposed of.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-245/2006-07
Smt.Beena

Vs.

Life Insurance Corporation of India

Award Dated : 21.03.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to revival repudiation of a life insurance claim by the insurer under Pol.No.773030477 held by the husband of the complainant. The policy had commenced from 15.12.1998 and it was lapsed from 6/2003 due to non-payment of premium. The policy was subsequently revived on 23.2.2004 on the basis of a personal statement regarding health dated 20.2.2004 whereunder the life assured had declared himself to be hale and hearty. However the facts of the case were otherwise. The early claim investigation due to revival had shown that the life assured was under treatment at the Jubilee Mission Hospital, Trichur from 19.9.2003 for chronic renal failure. There were a number of reports confirming the disease and treatment from 19.9.2003. All these facts having been suppressed in the DGH, the insurer had repudiated the revival which was found fully justifiable by this Forum. However, the insured had offered the paid up value under the policy. The repudiation of the claim barring the paid-up value was therefore upheld and the complaint was disposed of.

Kolkata Ombudsman Centre
Case No. : 184/21/001/L/06/06/07
Shri Ashok Bera

Vs

Life Insurance Corporation of India

Award Dated : 12.12.2006

Facts & Submissions:

The complaint was regarding repudiation of death claim arising out of death of Shri Gour Chandra Bera.

Shri Ashok Bera was the nominee for the policy purchased by his father Shri Gour Chandra Bera from LIC. Policy No. 418204292 was purchased on 28.06.04 for Rs. 70000/- and another policy no. 418187322 was purchased on 28.08.03 for Rs. 30000/-. The life assured expired on 06.09.04. LIC settled the claim under policy no. 418187322 on 10.02.05 and paid the claim to Shri Ashok Bera, who was the nominee. However, the second policy, which was incepted on 28.06.04, was repudiated citing deliberate misstatement in the proposal form and withholding of material information. The complainant appealed against the repudiation on 11.05.05, but LIC confirmed the decision of repudiation on 16.09.05. Being aggrieved by the repudiation of LIC, this petition was filed before this forum.

The insurance company repudiated the claim on the following facts:

- i) The policy was an early claim (duration of the policy being 2 months 3 days) and the cause of death was CRF in a case of acute myocardial infarction.
- ii) The insurance company found that the DLA was a known Hypertensive patient and was undergoing treatment since 02.01.04 (6 months before submission of proposal) at the OPD of Calcutta Medical College and Hospital. As these facts were not mentioned in the proposal form, the same was treated as suppression of material facts.

As there were gaps in the claim of the complainant and the explanation given by the insurance company, a hearing was fixed on 12.12.06, where both the complainant and the officers from LIC attended.

According to the complainant, his father was about 51 years old and due to a fall he went to the OPD of Calcutta Medical College as he was having generalized bodyache. He was treated for the bodyache. OPD tickets dated 02.01.04, 21.01.04 and 14.02.04 indicated that the life assured was having a pain in the lumbar region and he was having difficulty in sitting and bending waist. His X-ray report revealed spondylosis c Oster Ortho lumbar scoliosis. The ticket also indicated that the life assured was a known hypertensive and was on medication. And that he had severe low back pain for two weeks and radiation of pain in the lower limb.

The complainant further stated that his father was admitted to the hospital on 06.09.04 at 10.30 AM with chest pain, but unfortunately passed away at 11.10 AM on the same day. The cause of death was CRF in a case of acute myocardial infarction. According to him, his father died at an early age suddenly and the OPD treatment was taken during the month of January'04 and the various opinions mentioned in the OPD tickets should not have been used for repudiation of the claim as he died of myocardial infarction.

On the other hand, the insurance company insisted on the information written by doctors on the OPD ticket for the period 02.01.04 to 21.01.04 as sacrosanct. The entire episode was based on these OPD tickets. To reiterate the main points for repudiation, it could be seen that the sentence written by doctors with regard to known hypertensive and on medication was treated as the reason for ultimate death due to myocardial infarction. The failure to indicate the pre-existence of disease in the proposal for the second policy, which was incepted on 28.06.04, was the main ground for repudiation of the claim.

Further, during the course of hearing a question arose how another policy, which was taken on 28.08.03 i.e., about 9 months back, was settled and claim was paid. According to the insurance authorities, the information with regard to the DLA being

hypertensive before the inception of the first policy was available and the same was not available before the inception of the second policy. They further stated that LICl depended on the statement made in the OPD tickets that the life assured was a known patient of hypertensive and was on medication for treatment of hypertension.

Treating the above as non-disclosure of material information at proposal stage, the case was repudiated by the Divisional authority and later upheld by the Zonal authority.

Decision:

On going through the facts pertaining to both the policies, it was seen that the first policy was settled due to lack of information with regard to the pre-existing nature of the various diseases suffered by the deceased life assured (DLA). By the time the second policy was scrutinized, the insurance authorities obtained an OPD ticket and the analysis, which indicated that the DLA was suffering from hypertension and was on medication. Whether there could be a connection between the continuous hypertension or not at the time of taking the second policy, the life assured could have mentioned in the proposal about his fall, about medication he had been taking for hypertension, which could have then given a proper understanding of the case before the policy is underwritten. Therefore, keeping in view the totality of the circumstances and the early death of the life assured, it is held that there could have been a continuous case of hypertension and the accidental fall would have compounded the problems with regard to hypertension and, therefore, had a sudden attack of CRF in a case of myocardial infarction. From this analysis, it is clear that the proposal form did not contain material information for coming to a proper conclusion with regard to issuance of policy. We do not have any other alternative but to confirm the repudiation made by the insurance company on the ground of non-disclosure of material information at the proposal stage. Accordingly, the complaint is dismissed without any relief to the complainant.

Kolkata Ombudsman Centre
Case No. : 112/21/001/L/05/2006-07
Smt. Shiela Mahajan
Vs
Life Insurance Corporation of India

Award Dated : 20.12.2006

Facts & Submissions:

The complaint was regarding repudiation of death claim on the ground of non-disclosure of material fact by the proposer under the policy by Life Insurance Corporation of India.

The complainant, Smt. Shiela Mahajan filed a death claim against the policy no.435044248 taken by her husband, late Raj Mahajan who expired on 18.8.2004 due to sudden cardiac arrest.

Late Raj Mahajan took the said policy with date of commencement on 28.7.2003 from LICl. According to LICl, Howrah D. O., the deceased's wife submitted her claim on 28.9.2004, which was repudiated fully by the concerned Division on 15.12.2004 on the ground that they had sufficient proof to suggest that the DLA suffered from Diabetes and Hypertension for the last two years. This was not disclosed in the personal history column of the proposal form by the Insured at the material time. Therefore, it may be treated as 'suppression of material fact' before taking the policy. The complainant, thereafter represented against the decision of the LICl and requested for a review of the claim stating that her husband was admitted to the hospital on 18.8.2004 at around

2 P. M. in an unconscious state and he expired within half-hour from admission without much treatment to offer. In spite of her representation, LICl repudiated the claim.

LICl/Howrah D.O. furnished SCN on 7.9.2006 along with a copy of proposal form/papers and underwriting decision. They also submitted a death certificate dt. 8.11.2004 issued by the attending doctor, Dr. Tanvir Momen, which is reproduced as under :-

“ This is to say that the deceased patient has been under my treatment for the last 2 years as a patient. He was suffering from mild Diabetes and Hypertension. He was also treated by me for Fracture of the Hip in January 4th, 2004.

He was admitted on 18/8/04 with sudden Acute Chest pain due to Massive Myocardial Infarction and he passed away on 18/8/04 due to Cardiac Arrest. Contact me if you have any more queries.”

LICl categorically mentioned in their SCN dt.7.9.2006 that in the Personal History Column of the Proposal Form, it has been found that the complainant has provided false and incorrect answers which evidently established that the deceased life assured (DLA) had a past history of suffering from Diabetes Mellitus and Hypertension prior to the date of commencement of the policy.

As there were communication gap between the LICl and the complainant in respect of the evidences provided by them, a hearing was held on 19.12.2006.

Both the parties attended in the hearing, as scheduled, and their views were heard at the time of hearing. During hearing process, Smt. Mahajan stated that the proposal was signed by her late husband, Shri R. Mahajan at the time of taking the policy and he was in good state of health and was not suffering from any diabetes or hypertension. However, the LICl authorities have obtained a certificate from Dr. Tanvir Momen, which stated that the patient was under his treatment for the last two years and he was suffering from mild diabetes and hypertension. The patient was also treated for the fracture in the hip in 4th January, 2004. When this was shown to her (Smt. Mahajan), she was surprised that the doctor, who treated for the fracture in the hip, mentioned about the fact that her husband was under his treatment for the last two years and was suffering from mild diabetes and hypertension. Therefore, she was informed that the proposal form obviously did not mention these facts. The complainant showed total ignorance of the fact of misrepresentation in the proposal form.

Under the circumstances, we hold that the proposal form has not been properly filled-in with regard to the Personal History Column that he was suffering from any diabetes and hypertension for the last two year and therefore, this fact might definitely be material and prudent to the underwriter to decide the merit of the proposal and should have been disclosed in the proposal form at the time of taking the policy.

Under the circumstances, the decision of the Insurance Company to repudiate the claim was justified and it was upheld.

Kolkata Ombudsman Centre
Case No. : 894/24/003/L/03/05-06
Shri Rajeshwar Prasad Jaiswal
Vs
Tata AIG Life Insurance Company Ltd.

Award Dated : 21.12.2006

Facts & Submissions:

Shri Rajeshwar Prasad, S/o Late Radhe Prasad, in his complaint dated 22.03.06 stated that his father Late Radhe Prasad took a policy from Tata AIG Life Insurance Company

Ltd and expired on 30.09.04. Therefore, he submitted claim forms for settlement of death claim. Before the policy was issued, the insurance company had accepted the proposal on the basis of an affidavit given by the DLA with regard to the age. On receipt of claim papers, the insurance company declined to settle the claim alleging there was a mistake in the statement of actual age of deceased life assured (DLA) with regard to the age. On receipt of the claim papers, the insurance company declined to settle the claim alleging there was a mistake in the statement of actual age of DLA at the time of purchasing the policy. Hence, this grievance.

The insurance company in their self-contained note stated that the correct age of life assured at the time of issue of the policy was 68 years and not 54 years as declared in the application. As the actual age was relevant to the risk associated as well as for underwriting consideration, the claim was repudiated. The insurance company further added that the policy would not have been issued to the DLA as the policy could be given only for persons of age below 55 years. They also sought a hearing before the order is issued. Keeping in view their request, a hearing was fixed on 21.12.06 and both the complainant and the representatives of the insurance company appeared.

The claimant relied on the EPIC issued by the Election Commission of India wherein the age of the DLA has been mentioned. The card was issued on 06.03.1995 and according to him, this was good enough evidence to prove that the DLA has not fudged his age in the proposal form. The insurance authorities relied on the prescription given by Dr. V. Prasad after the date of death wherein he stated that the age of the deceased was 70 years. According to the insurance authorities, the doctor wrote this from the information available in his records, which were not shown to the insurance authorities. The same doctor gave another certificate on 25.01.2005, one year after the date of death in which he stated as per his opinion the age of the DLA was 68 years appx. The insurance authorities heavily relied on these two certificates.

It may be pertinent here to state that the insurance company had accepted the proposal on the basis of an affidavit given by the insured and the policy could be treated as non-standard in respect of proof of age. When asked for why a copy of the EPIC was not taken into consideration at the time of issuing the policy, the insurance authority stated that the EPIC was not acceptable proof at that time. Now they have changed their condition and Election Card can be accepted as a proof of age.

During the course of hearing, it was found that the claimant has three sisters, one elder to him and the others younger to him. It was also found that DLA's wife was the nominee of the policy, who expired on 05.02.2005. The claim made by the complainant was bonafide, as he felt that he would be the successor of the property of the deceased. There was no evidence to show that the insurance company has questioned the claim of the son. When this question was asked, the representatives of the insurance company stated that the repudiation on the basis of doctor's certificate was final and, therefore, they did not bother to get into the finer points of the claim of the complainant.

Decision:

On going through the evidence and discussions made during the hearing, we came to a conclusion that the age mentioned in the Election Card issued in 1995 should be taken as sufficient proof. The contradictory statements made by Dr. V. Prasad wherein he issued certificates after the death of the deceased could not be accepted as good evidence. Therefore, the repudiation made on the evidence of doctor's certificate could not be sustained. Hence, the insurance company were directed to settle the claim of the complainant keeping in view the various other legal formalities required.

Kolkata Ombudsman Centre
Case No. : 404/21/001/L/08/06-07
Smt. Puspa Sutradhar
Vs

Life Insurance Corporation of India

Award Dated : 26.12.2006

Facts & Submissions:

Smt. Puspa Sutradhar, w/o Late Bachchu Sutradhar, DLA, made a claim on the LIC policy purchased by her husband. The DLA died on 15.05.2002. The claim was repudiated by LIC on 04.03.2006. She made further representation to the Zonal Office, but they also turned down her appeal. Being aggrieved, she filed this petition.

The insurance company sent a self-contained note along with the death certificate from the hospital, copy of premium receipt dated 15.05.02, MR dated 14.05.02 and form no. 680 signed by the DLA on 15.05.02.

From the self-contained note it could be seen that the repudiation was based on the ground of submission of false documents. The premium payment was stopped by the DLA from May 2001 and as per rules the policy became lapsed w.e.f. November 2001. According to the documents available, the DLA seemed to have submitted form no. 680 for revival on 15.05.02 by paying Rs. 2,368/- (cash transaction no. 8586 dated 15.05.02 at 11.34 AM) and also submitted medical report signed by the DLA on 14.05.02, one agent and one panel doctor Dr. S.K.Keshri. However, it was confirmed that the DLA expired on that very day on 15.05.02 at 5.10 PM at Sub Divisional Hospital. The death certificate dated 06.06.02 issued by the SD Hospital, Rampurhat showed that the DLA was under treatment of Dr. A.Banerjee in the Male Surgery Ward of that hospital from 08.05.02 to 15.05.02 and expired in a case of CRF after being operated for Duodenal Perforation. Revival made on the strength of Declaration of Good Health when the life assured was hospitalized was not valid as per the insurance company. Similarly, a patient admitted in the hospital for surgical operation furnishing Good Health declaration certificate by another private doctor during the period of revival of insurance policy cannot be acceptable. Therefore, the insurance company contended that the revival was done under false certification and the claim was not settled.

Decision :

From the above information available along with the documents, it could be easily seen that a medical report was obtained on 14.05.02 and premium was paid in cash on 15.05.02 at 11.34 AM indicate that persons were in a hurry to get the policy revived. The fact that the life assured died on the very same day when the premium for the policy was obtained indicates that questionable methods were adopted to revive the policy. Also the fact that Good Health certificate given by a doctor, who is not connected with the in-patient, who was in the bed due to operation for duodenal perforation was also not acceptable. LIC functions with utmost Good Faith and, therefore, taking advantage by producing a medical certificate that ought not to have been issued for getting the revival of the policy is not acceptable. Under these circumstances, it was held that repudiation decision taken by LIC was justified and accordingly, it was upheld.

Kolkata Ombudsman Centre
Case No. : 450/21/008/L/09/2006-2007
Shri Gouranga Ghosh
Vs

Kotak Mohindra Old Mutual Life Insurance Ltd.

Award Dated : 12.01.07

Facts & Submissions :

This petition was filed by the complainant for non-settlement of death claim due to non-production of required documents to the insurance company.

The complainant, Shri Gouranga Ghosh was the nominee of late Smt. Ganga Ghosh who purchased one policy with D.O.C. 24.12.2004. She expired on 27.03.2005. The claim papers were submitted to the insurance company through their authorized agent. On 12.10.2005, the complainant received another Form from the Insurer, which he duly filled up and sent to the Insurance Company along with Xerox copies of prescription and cash memos etc. Meanwhile, one Rupen Kumar Nag introducing himself as representative of the Insurer took away the originals from the complainant's son stating these were required by the Insurance Company. There was no documentary evidence to prove this incident. Since there was no reply from the insurance company, the complainant sent an Advocate's Notice to the Insurance Company on 6.2.2006. As there was no reply from the Insurance Company, he came to this forum for redressal.

The Insurance Company sent a letter dt.13.11.2006 in which they stated that they were not yet repudiated the claim. They stated that the complainant was asked to send the requisite documents and hospital treatment particulars to settle the claim. According to them, the complainant did not submit the relevant documents till date. In the absence of complete documentation, the Insurance Company stated that they would not be able to assess the claim in fair and appropriate manner.

Decision :

Since, the claim had not yet been repudiated and the insurance authorities stated during the course of hearing that they would collect the required documents from the hospital authorities etc., this office directed the insurance authorities to do the needful immediately and settle the claim.

Kolkata Ombudsman Centre
Case No. : 892/21/009/L/03/05-06
Smt. Rajkumari Devi
Vs

Bajaj Allianz Life Insurance Company Ltd.

Award Dated : 31.01.07

Facts & Submissions:

Smt. Rajkumar Devi, in her petition stated that her husband Shri Damodar Sah expired on 26.04.04 due to cardiac failure after suffering from Diarrhoea. Her late husband purchased a policy from Bajaj Allianz Life Insurance Company Ltd. with DOC 22.03.04 for sum assured Rs. 2 lakhs. She filed a claim for settlement vide her letter dated 21.06.05 but the insurance company observed that the DLA had taken treatment for Prostrate Gland problem 2 years back and the same was not disclosed in the proposal form. In the petition Smt. Rajkumari Devi stated that her husband never suffered from such disease and the proposal form was correctly filled in and that the allegation made by the insurer was false. She further sent a medical attendant's certificate issued by Dr. S.K.Sinha. As per the certificate Dr. Sinha treated the DLA at the time of death. His prescription was available and he certified that the patient's condition did not permit pathological investigation and the patient died due to cardiac failure arising out of Diarrhoea.

The insurance company in their self-contained note stated that the death occurred within 1 month 4 days from the DOC and the repudiation was done on the ground of "Suppression of material facts", which they found out from the investigation and written statement of the complainant and her son.

Since there were doubts about the evidence available and the reasons for repudiation of the claim, a hearing was fixed. The complainant attended on the day of hearing while no person representing the insurance company attended on that day. There was no letter seeking adjournment from the insurance company. This office proceeded with the hearing to find out exactly what happened before the death of the deceased.

HEARING :

On filing the claim papers, the insurance authorities initiated the investigation of the claim, as it was only 1 month 4 days old. They obtained 3 statements of the family members – Smt. Rajkumari Devi (wife), Shri Dileep Kumar (Son) and Shri Ramawatar Sah (Elder Brother) of the deceased. All of them mentioned treatment of Prostrate Gland of the DLA 2 years before by a Homeopath Doctor from Muzaffarpur and the same was fully cured. According to the insurance authorities, all the 3 statements were written and certified to having been read over, explained and admitted by the declarant, by one Shri K.Chakraborty, Investigating Officer. The wife and the brother signed it in Hindi and the son signed in English.

During the course of hearing, when questioned about these documents, the complainant i.e., wife of the DLA stated that the investigating officer took some signed blank papers from them and recorded what was mentioned in this certificate. According to her, they did not know that the certificate contained the mention of the treatment of one Prostate Gland by Dr. Ramji Dubey. Further, the investigating officer stated that the area was backward; there was poor accessibility to the village and there was prevalence of Diarrhoea, heart attack and fever in the area. They also mentioned that the DLA was a respected person with no bad habits, having perfectly normal health condition. The DLA was treated by Dr. S.K.Sinha and died in the doctor's chamber. The report of the investigating team also mentioned about one certificate dated 29.05.05 of Dr. R. Dubey of Muzaffarpur that he did not remember any previous history of treatment of the DLA in absence of any old prescription. They also recommended the release of the policy claim to the claimant.

Although the Homeopath Doctor Dr. R.Dubey was named in the investigation report and statement of family members, no certificate or prescription from him was furnished either by the insurer or by the complainant. When the complainant was asked about the prescription, she stated that few years before the death, her husband took a neighbour with him to the Doctor and actually the neighbour was suffering from Prostrate Gland problem, which was cured by that doctor. It is natural that the DLA does not have any prescription from the doctor.

It was also found from the record that the insurance company not being satisfied by the investigation report, got another enquiry conducted by Snippers India Ltd., who negated the earlier report. However, they stated that the DLA had no moral hazards but might have suffered from some old disease, hidden from his family members and neighbours. However, there was no documentary proof to substantiate it. It was also found that the insurer advised the proposer to undergo some tests viz., CBC, ESR, FBS, Cholesterol, HIV, Tele & ECG, but this office has not been furnished with any medical test results, which was conducted before accepting the proposal. In the absence of any representation from the insurance company, this office was unable to come to a conclusion whether there was any adverse report from the medical tests.

Decision :

We may mention that the insurance company did not attend the hearing fixed nor gave any reason for non-attendance. This office has to put on record that this type of behaviour cannot be tolerated before a senior quasi-judiciary authority. The higher authorities of the insurance company would henceforth ensure that there is a firm compliance to the notice issued by this office.

From the evidence available on record and from the answers given during the course of hearing from the complainant, it could be easily presumed that Dr. R. Dubey, Homeopath from Muzaffarpur did not have any prescription of the DLA before he passed away and the insurance company could not conclusively prove that the DLA was treated for Prostrate Gland by him. It is clear that the DLA died of cardiac failure due to diarrhoea, which existed in the area he was living. It is also certified by both the investigators that the DLA did not have any bad habit. The statement made by the 2nd investigator in his report that the DLA might have suffered from some old disease cannot be taken as having evidential value. We, therefore, came to a conclusion that there was no misrepresentation in the proposal form made by the DLA before taking the policy. Accordingly, the insurance company were directed to settle the claim for Rs. 2,00,000/- (Rupees two lakhs) only.

Kolkata Ombudsman Centre
Case No. : 153/21/001/L/06/06-07
Smt. Bijoya Biswas
Vs
Life Insurance Corporation of India

Award Dated : 31.01.07

Facts & Submissions :

We dealt with two complaints, but since the nature of complaint and the complainant in both the cases were same, we proceeded to deal with the complaints as follows:

Smt. Bijoya Biswas, wife of Late Tapan Kumar Biswas, filed a petition that LIC did not settle the death claim of the policies purchased by her deceased husband for sum assured of Rs. 20,000/- with DOC 28.06.01 and Rs. 25,000/- with DOC 28.06.02. Shri Tapan Kumar Biswas, DLA died on 09.12.03. LIC repudiated the claim under both the policies vide their letter dated 29.03.04 stating that the proposer did not answer the question in the proposal form with regard to personal history correctly and the DLA suffered from hypertension and was a known smoker for many years. The complainant appealed to the insurance company for review but the same was denied.

The insurance company in their self-contained note stated that the DLA died of myocardial infarction. The duration of the illness was only 6 days. The Case History Sheet of Uma Medical Research Institute, Kolkata revealed that the DLA was a known hypertensive, a known smoker for many years and had a history of Duodenal Ulcer with upper GI Bleeding 15 years back.

A hearing was fixed calling the complainant and the officials from the insurance company.

HEARING :

During the course of hearing, the complainant Smt. Bijoya Biswas stated that her husband was a primary School Teacher, who did not have the habit of smoking and did not suffer from any hypertension during the period of her marriage for 17 years. Few days before his death i.e., on 04.12.03, he complained of pain and went to the hospital wherein he was admitted and her husband's brother gave some statement to the hospital authorities without her knowledge and subsequently her husband passed away

on 09.12.2003. The medical attendant's statement indicated that he was treated by one doctor Dr. Santanu Acharyya on 02.12.03 and the Case History Sheet was reported to the doctor by the brother of the patient Shri Swapan Kumar Biswas. She, therefore, pleaded that the statement made in the History Sheet of Uma Medical Research Institute should not be taken as final. Question Nos. 11(a), 11(e), 11(f) and 11(i) were correctly answered with the available knowledge at the time of taking the policies.

The representative from the insurance company stated that the repudiation was based on the History Sheet submitted by the hospital and from the information in the History Sheet it could be seen that the questionnaire in the proposal form had not been properly answered and, therefore, there was non-disclosure of material information at the proposal stage.

Decision :

On going through the evidence and the facts that have been stated by the complainant during the hearing, it could be surmised that the DLA did not smoke or did not have any hypertension as per his wife's statement during the period of marriage for 17 years. The History Sheet given by Uma Medical Research Institute mentioned in the certificate of hospital treatment, proforma belonging to the LIC, stated that all material facts had been reported by the patient and his relatives, particularly by his brother Shri Swapan Kumar Biswas. Since the patient was admitted on 04.12.03, it may be surmised that the case history had been given to the hospital authorities by his brother. When the question was asked about this, Smt. Bijoya Biswas stated that she was sitting outside the doctor's room while her brother in law went and gave details of history when her husband was admitted in the hospital. The insurance company got an investigation report prepared, which is known as Claim Enquiry Report and according to that report, the DLA was a primary school teacher having good health and died at the age of 51 years. The report also suggested that the claim may be admitted. While preparing the report, they obtained reports from neighbours and friends viz., Shri Ashit Baran Rakhit, residing nearby. He gave a certificate as the deceased was possessing a sound health and was attached with several social activities. Similar certificate was also given by one Shri Ratan Kumar Das. Another doctor Dr. T.C.Chakraborty, known to the DLA, also gave similar certificate stating that he was in good health and actively participated in social and cultural activities. Claim Enquiry Report and the certificates have not been taken into consideration by the insurance company when they repudiated the claim. They solely based on the sentence, which was written by the hospital authorities in their Case History Sheet, which is reproduced below:

"Known hypertensive – On stamlo; Known smoker for many years;

H/o Duodenal Ulcer – with upper GI bleed approximately 15 yrs. Ago"

The History Sheet was a record of whatever that has been said by a third party, in this case being the brother of the DLA and it is not a conclusion drawn by doctors from the diagnostic information available just before the time of death like pathological tests and other tests. The clinical examination indicated that the BP was 120/80 and, therefore, the conclusion drawn that the patient had a history of hypertension shows that the hospital authorities did not come to any conclusion with regard to pre-existing hypertension. Duodenal ulcer reported in the History Sheet is about 15 years old and according to the complainant, she was married for 17 years and that her husband had never faced this problem. Probably, Duodenal ulcer was before the marriage and the figure 15 must have been an estimate made by third party while giving the details. Therefore, basing on this one statement for a patient, who died at a relatively young age of 51 years due to cardiac failure and denying the claims made on the policies seems to be totally illogical. The insurance authorities should have found out more

evidence to prove that the DLA was having continuous hypertension and was a smoker. Now, coming back to the question 11(a) with regard to any treatment during the last 5 years, the DLA stated that there was no treatment. To the contrary, the insurance authorities probably, relied on the only fact that the deceased suffered duodenal ulcer 15 years back. Though they asked for medical leave details from the employer, the employer at the first instance did not give the details in the last 5 years. However, at a later stage, the school authorities sent a certificate that the DLA did not take any leave on medical ground since 1999 until his death. This proves that the answer given to the query was correct. In the case of question no. 11(e), definitely the patient did not suffer from any disease mentioned therein. Therefore, saying "No" is taken to be correct. With regard to query 11(h)(iv), whether the DLA used inter-alia tobacco in any form, the answer was given as "No" and the insurance authorities found that the answer was not correct due to a sentence recorded in the History Sheet of the Hospital authorities, which is nothing but a hearsay. So, this could not be treated as deliberate incorrect statement made by the deceased while taking the policy. Answer to question no. 11(i) with regard to state of health was also correctly answered and no adverse inference need be taken.

Therefore, the basis on which repudiation was made i.e., withholding of material information with regard to health and habit for effecting the insurance has not been conclusively proved by the LIC authorities. On the other hand, from the discussions mentioned above, we tend to agree that quoting statements given in the history sheet by a third party, which do not have any diagnostic sanction, cannot be taken as a base for treating the answers given as deliberate misrepresentation before the insurance authorities with regard to health and habit for repudiation of the claim.

It was felt that the deceased while taking the policy was in good health and did not suffer from any ailment and he was not in the knowledge of any ailment, which could lead to his death by cardio respiratory failure – extensive anterior wall myocardial infarction. We were of the opinion that LIC authorities should have taken more care before repudiating the claim to a widow. Accordingly, the insurance company were directed to settle the claim under the aforesaid policies.

Kolkata Ombudsman Centre
Case No. : 457/21/001/L/09/06-07
Smt. Vijay Laxmi Panigrahi
Vs
Life Insurance Corporation of India

Award Dated : 02.02.07

Facts & Submissions:

This was a complaint regarding repudiation of death claim by LIC. This petition has been admitted under Rule 12(1)(b) of RPG Rules 1998.

The complainant, Smt. Vijay Laxmi Panigrahi, wife of Late Prasad Panigrahi, being the nominee of the deceased life assured (DLA) preferred a claim on 16.05.06 after the demise of her husband on 25.02.06. According to her, the claim was repudiated by the insurance company on the wrong interpretation of period of radiotherapy. She stated that the doctor attested the correct period of radiotherapy and the same had been enclosed with the complaint made to the office of the Insurance Ombudsman. She stated that the attested copy was also sent to the insurance authorities and in spite of several reminders and constant follow-up, the LIC authorities did not respond. This petition has been filed for redressal of the above stated grievance of repudiation of the death claim.

In the self-contained note, the insurance company stated that the DLA was a businessman, who took a policy for sum assured of Rs. 50,000/- with DOC 11.11.2003. After a lapse of about 2 years 3 months, the insured died of cancer at his residence. The insurance company further stated they have evidence before them in the form of treatment papers given by Acharya Harihara Regional Cancer Centre, Cuttack, according to which the DLA suffered from cancer in the cheek and had undergone radiotherapy (15 sittings) from 04.07.03, but the insured did not disclose these facts in the proposal form as could be observed from the answers given to question nos. 11(a), 11(b), 11(c), 11(d), 11(e) and 11(i). LICl, therefore, stated that the DLA suppressed material information while submitting the proposal form. Since the contract between the LICl and the insured was of utmost good faith and as there was no full disclosure, the insurance company treated it as misrepresentation made by the DLA and repudiated the claim.

Decision :

On going through the evidence submitted by the complainant, it could be seen that the deceased had undergone radiotherapy between 04.07.05 to 27.07.05, obviously the doctor attending on the deceased has corrected the discharge certificate from 04.07.03 to 04.07.05. We do not know whether this had been taken into consideration by the insurance company before deciding on the repudiation. The complainant vehemently claimed that the cancer was detected only after 27.05.05 and that the patient was discharged originally on 06.06.05 and that he took radiotherapy from 04.07.05 to 27.07.05 and, therefore, the disease could not have existed prior to signing the proposal form.

As there was contradictory evidence with regard to the period of radiotherapy, it would be fair if the insurance company gets the discharge certificate and other hospital documents verified and then decide about the repudiation of the claim. Accordingly, the insurance company were directed to review the repudiation by instituting an investigation into the claim of the complainant that there has been a mistake in mentioning the duration of radiotherapy and decide the claim on merit.

Kolkata Ombudsman Centre
Case No. : 674/24/003/L/01/05-06
Smt. Purnima Jana
Vs
Tata AIG Life Insurance Company Ltd.

Award Dated : 13.02.07

Facts & Submissions :

This petition was filed by the complainant Smt. Purnima Jana against repudiation of death claim by Tata AIG Life Insurance Company Ltd.

Shri Supriya Jana, deceased life assured (DLA), purchased an insurance policy with Issue Date 29.11.2003 from Tata AIG Life Insurance Company Ltd. He expired on 10.04.2004, the duration of policy being 4 months 11 days. The complainant Smt. Purnima Jana, wife and nominee of the DLA, filed a death claim, but the insurance company repudiated the same as there was misrepresentation and non-disclosure of facts in the proposal form. Being aggrieved, the complainant filed this petition and stated that repudiation on the ground of chronic alcoholism could not be the reason for repudiating the claim for misrepresentation of facts in the proposal form.

The insurance company in their self-contained note stated that they have irrefutable evidence before them for repudiating the death claim of the complainant. The DLA had a CT Scan Report dated 03.11.1999 and the report stated that he was having difficulty in writing. They also submitted proof of discharge certificate, which stated that the patient was chronic alcoholic and was treated for convulsion and alcoholism. As these facts were not brought on record at the time of proposal, the insurance company contended that the proposer did not submit correct details and, therefore, they treated it as misrepresentation and repudiated the claim.

HEARING :

A hearing was fixed where representatives of the insurance company and the complainant attended. During the hearing, the complainant stated that her husband was not alcoholic and, therefore, the reason for repudiation was not correct.

On the other hand, the representative of the insurance company stated that they have further evidence in the form of a statement given by the mother of the DLA, which clearly stated that her son was alcoholic. The DLA also submitted application for leave on medical ground for treatment to his employer (alcoholism reported in medical prescription and DLA's employer cautioned him for delinquent behaviour). The dates wherein he had treatment with regard to alcoholism and convulsion, CT Scan etc. fall before the inception of the policy. The representative of the insurance company, therefore, stated that there was misrepresentation in the proposal form as the insured had declared that he was fit at the time of taking the policy and hence, the repudiation decision was correct.

Decision :

From the above evidence, it was clear that the insurance company investigated the early death claim thoroughly and found that the insured was alcoholic and was regularly taking leave for medical treatment and that he was in the knowledge of hospitalization and his own disease, which were not disclosed in the proposal form. The arguments given by the complainant were not tenable. We, therefore, had no alternative but to agree with the insurance company and confirmed the repudiation made by them with regard to death claim. The order was passed without any relief to the complainant.

Kolkata Ombudsman Centre
Case No. : 616/24/001/L/11/06-07
Sk. Rabial Hossain
Vs
Life Insurance Corporation of India

Award Dated : 14.02.2007

Facts & Submissions :

This was a petition filed by the complainant SK Rabial Hossain for delay in settlement of death claim by LIC.

SK Rabial Hossain was the nominee of the deceased life assured (DLA) SK Jehangir. SK Jehangir died in a road accident on 10.01.2006 at Asansol. The nominee lodged a claim on 16.08.06 with all relevant documents. The complainant further stated that the DOC as per First Premium Receipt (FPR) was 27.12.04 and the DOC as per renewal receipt was 28.11.04. According to him, if the DOC is shifted to 27.12.04, the claim would have been admissible. In spite of written reminders, the claim was not settled. Hence this petition for relief.

In the self-contained note the insurance company stated that the proposer signed the proposal form on 27.12.2004 and opted for back dating of the risk to 28.11.2004. Originally the proposal was accepted as risk date 27.12.2004 and after the proposer sent a letter dated 18.01.05, the risk date was corrected from 27.12.04 to 28.11.04. The life assured died on 10.01.06 as per the death certificate submitted by the claimant. As per the policy condition, the premiums are payable half yearly and the premium has been paid up to 28.05.05 and, therefore, the policy was running with the cover up to 28.11.05. Had the DLA paid the premium before 27.12.05 for the next Half-yearly period, the date of death would have fallen during the course of cover of the policy. Since the premium for hly. due in November'05 was not paid, according to insurance company, only grace period was available, which was over by 27.12.05. Since the death occurred after that date i.e., on 10.01.06, the question of paying the death benefit did not arise.

Decision :

On going through the evidence available on record, it could be seen that the proposal was dated 27.12.04 and the proposer opted for DOC of risk to be from 28.11.04, as back dating was permitted under the LICI Rules. However, inadvertently, the insurance company gave the date of risk from 27.12.04. The proposer did not keep quiet but requested LICI to change the DOC of risk from 27.12.04 to 28.11.04, which was duly complied by the LICI on 18.01.2005. The life assured paid hly. premium due on 28.05.05 on 08.10.2005 and thereby the life cover was operative up to 28.11.05. There was no evidence to show that premium due 28.11.05 has been paid. Therefore, the grace period comes into operation. Had he paid the premium before 27.12.05, the policy would have been in-force at the time of death of the life assured on 10.01.06.

Now, coming to the argument of the complainant that the risk date should be taken as 27.12.04, as was inadvertently done by the LICI, could not be accepted as it had been corrected at the volition of the insured by his letter. Therefore, the grace period would start only from 28.11.05 and not from 27.12.05. Under these circumstances, we were unable to agree with the arguments of the complainant and accordingly, the petition was disposed without any relief to the complainant.

Kolkata Ombudsman Centre
Case No. : 423/21/001/L/09/06-07
Shri Pradip Ranjan Dey
Vs
Life Insurance Corporation of India

Award Dated : 20.02.07

Facts & Submissions:

This was a petition filed by Shri Pradip Ranjan Dey on repudiation of death claim by LICI.

Smt. Smriti Dey, deceased life assured (DLA), a 36 year old self-employed lady, purchased a LICI policy for Rs. 1 lakh with DOC 23.04.03, date of proposal being 30.06.03 and she expired on 24.01.04. Cause of death being CRF due to ruptured uterus in a case of terminated pregnancy.

Shri Pradip Ranjan Dey, husband and nominee of the DLA, submitted claim forms to LICI, but the claim was repudiated due to suppression of fact of pregnancy while submitting the proposal form. The claimant represented before the insurance authorities, but they confirmed the repudiation as the question no. 13(A) was not correctly answered. According to the complainant, his wife was not pregnant at the

time of taking the policy and that the medical report at the time of taking the policy included urine test. According to him, a person who had two successful deliveries would not take an insurance cover with advance knowledge of pregnancy and that she would die during the pregnancy. He relied on the decision of Hon'ble Supreme Court in the case of Surender Singh and State of Punjab, in which it was stated "It may be recalled that this Court repeatedly observed that suspicion, however, grave cannot take the place of legal proof". In another case, the Apex Court observed "there is requirement of proof and such requirement cannot be substituted by surmise and conjecture". Further, the complainant furnished a certificate from Dr. A.K.Majhi dated 08.06.06, which is reproduced below:

"Bleeding may occur for early pregnancy cyclically or irregularly due to various reasons It may or may not be a serious complication and the patient may be confused to ascertain it to be menstruation. As such she (DLA) might have confused of her early pregnancy due to bleeding occurring on 24.06.03"(before submission of proposal)

The insurance company in their self-contained note stated that the repudiation was made because of the delivery and ultimate death that took place, which indicated that she was pregnant nine months from that date, which fell before the date of proposal. In the proposal form, she mentioned that her menstruation cycle was on 24.06.03, which according to them, was not correct and, therefore, question no. 13(A) was not correctly answered and it became suppression of material facts. Hence, repudiation took place.

HEARING:

A hearing was fixed. The complainant Shri Pradip Ranjan Dey could not attend due to unavoidable circumstances. However, the representatives of the insurance company attended. They stated that they have irrefutable proof that Smt. Smriti Dey was pregnant before the inception of the policy. They gave a copy of the prescription dated 01.08.03 given by Dr. A.K.Maji, in which he stated that Last Menstruation Period (LMP) was 24.04.03 while expected Date of Delivery (EDD) was 30.01.04. Similarly, there was another prescription dated 12.11.03 from the same doctor, in which it was mentioned that the EDD was 30.01.04. According to the insurance authorities, this clearly indicated that she was pregnant before signing of the proposal form.

Decision:

We proposed to dispose of the petition ex-parte on merits, as the complainant could not attend. On going through the evidence submitted by the insurance authorities, it was clear that the very same doctor, who gave a certificate dated 08.06.06 (mentioned above in para 3) had clearly written that the LMP was 24.04.03 and the EDD was 30.01.04. This prescription given by him irrefutably proved that the deceased lady was pregnant before signing the proposal form and she had not mentioned the answer to question no. 13(A) correctly. This clearly showed that there was misrepresentation and suppression of material facts. Since the policy is a contract of utmost good faith, we had to agree with the repudiation made by the insurance company. Accordingly, the claim was disposed of without any relief to the complainant.

Kolkata Ombudsman Centre
Case No. : 678/24/001/L/01/05-06
Smt. Bharati Kumari
Vs

Life Insurance Corporation of India

Award Dated : 06.03.07

Facts & Submissions:

This was a petition filed by Smt. Bharati Kumari for non-settlement of death claim on the life of her father by LICl.

Shri Ram Narayan Mahato, deceased life assured (DLA), purchased a policy with date of commencement (DOC) 28.03.03. He expired on 18.12.03 and duration of the policy was 8 months 21 days. The cause of death was not mentioned in the claim form. All the documents were submitted to LICl, but even after 3 years the insurance company did not settle her claim. Hence, this petition for relief.

LICl, Muzaffarpur Division stated that the DLA had understated his age in the proposal form by 10 years. They also suspected that some tampering was done in the Ration Card submitted by the DLA as another proof of actual age, as the original policy was issued as a non-standard policy. In the self-contained note, LICl informed that they could not take any decision with regard to the claim, as there was a doubt with regard to suppression of the actual age.

HEARING :

A hearing was fixed. None attended on behalf of the complainant while the representative of LICl attended. The representative of LICl was directed to take a decision with regard to claim and convey the same before 26.02.07.

Decision :

This office received a fax dated 20.02.07 from LICl, Muzaffarpur Division stating that they could not procure further evidence of suppression of age or ill health of the DLA. Therefore, they admitted the claim for basic sum assured in favour of the nominee. The nominee also sent a letter dated 16.02.07 stating that she could not attend the hearing at Kolkata due to distance. Since LICl had already admitted the claim, we directed the insurance company to settle the claim. We also requested the complainant to comply with the requirements of LICl.

Kolkata Ombudsman Centre
Case No. : 214/24/001/L/06/06-07
Shri Padma Narain Sinha
Vs
Life Insurance Corporation of India

Award Dated : 06.03.07

Facts & Submissions :

This was a petition filed by Shri Padma Narain Sinha for non-settlement of death claim by LICl.

Shri Padma Narain Sinha filed his complaint for non-settlement of death claim on the policy taken on the life of his deceased wife Smt. Sumitra Devi, DLA. From the 'P' form and allied papers submitted by the complainant, it was found that the life assured died on 15.06.1989 due to heart attack at the age of 49. The complainant did not furnish any further detail.

LICl did not furnish any self-contained note, but we find from the complainant's 'P' form that LICl sent a letter dated 12.02.1990 requesting the complainant to submit death certificate.

HEARING :

A hearing was fixed. Nobody attended on behalf of the complainant, while representatives of LICl attended. During the hearing, the representatives of LICl stated that the complainant has been informed of the requirement with regard to the death claim and relevant forms have been issued through their agent and it is found that the claimant has received the forms because he approached the Branch officials for assistance in filing the claim forms. It is understood that the complainant did not submit

the required papers and hence there was delay in settling the claim since LIC were not in a position to ascertain whether the claim is tenable or not. They further stated that though the policy docket was not available, there would not be any problem in settling the claim.

Decision :

It was found that the claim has been made long after the death of the life assured. Unless the forms are filed, as required by LIC, the claim could not be processed. Under these circumstances, we requested the complainant to cooperate with LIC in filing the required forms and LIC officials were directed to take up the matter with regard to allowability of the claim on submission of the documents. The complainant is at liberty to go to any other forum including this forum, if he is not satisfied with the decision of LIC.

Kolkata Ombudsman Centre
Case No. : 180/24/001/L/06/06-07
Shri Mahi Narayan Jha
Vs
Life Insurance Corporation of India

Award Dated : 06.03.07

Facts & Submissions:

This was a petition filed by Shri Mahi Narayan Jha for non-settlement of death claim by LIC.

Shri Viswanath Jha, deceased life assured (DLA), purchased an LIC policy no. 534167808. Shri Mahi Narayan Jha, nominee and father of the DLA, submitted the death claim forms on 22.03.05 on the expiry of his son Late Viswanath Jha on 15.09.04. He had been pursuing with the LIC authorities for settlement of death claim, but the claim was not settled. Hence, this petition was filed for redressal.

LIC stated that the policy commenced on 28.07.03 and the duration of the policy was less than 1 year 2 months. As the DLA was living in Noida, the insurance company did not have the correct address. LIC entrusted Marketing Manager, Meerut DO to enquire into the case and, therefore, no self-contained note could be filed.

A hearing was fixed. Both the complainant and representatives of LIC attended. According to the representatives of LIC, delay occurred due to lack of proper address and non-receipt of enquiry report. They further stated that on receipt of Investigation Report (IR), they admitted the death claim for basic sum assured and additional sum as per policy conditions and sent the discharge voucher (DV) vide their letter dated 26.02.07. The complainant, who was present at the time of hearing, was informed of this matter.

Decision:

The complainant was requested to return the DV duly executed immediately on receipt and LIC officials were requested to send the cheque immediately on receipt of DV. As the complaint was redressed to the satisfaction of the complainant, no further action need be taken.

Kolkata Ombudsman Centre
Case No. : 309/24/001/L/07/06-07
Smt. Tillottama Prasad
Vs
Life Insurance Corporation of India

Award Dated : 06.03.07

Facts & Submissions:

The complainant was the wife and nominee under Jeevan Akshay policy no. 530073801 of her husband Late Shyam Sundar Prasad. The life assured expired on 09.10.05. She furnished a copy of letter dated 03.05.06 issued by LIC, Eastern Zonal Office showing return of unutilized annuity cheques and confirming exit action taken by them. The death claim was, however, kept pending by the servicing branch. The complainant did not submit 'P' form.

HEARING :

A hearing was fixed. The complainant did not attend, while representatives of LIC attended. During the hearing, the representatives of LIC produced evidence that they have settled the death claim for Rs. 14,280/- vide cheque no. 133216 dated 28.12.06. This is also confirmed by the order issued by the District Consumer Forum, which has stated that the above petitioner does not have any complaint against LIC as they have settled the claim.

Decision :

Under these circumstances, the petition filed by the complainant is deemed to have been settled and no further action need be taken as the complainant is satisfied by the redressal of the complaint.

Kolkata Ombudsman Centre
Case No. : 349/24/001/L/08/06-07
Smt. Sudhain Mahali
Vs
Life Insurance Corporation of India

Award Dated : 07.03.07

Facts & Submissions :

This was a petition filed by Smt. Sudhain Mahali for non-settlement of death claim under Salary Saving Scheme (SSS) Policy on the life of her husband by LIC.

Smt. Sudhain Mahali, wife of Late Somra Mahali, deceased life assured (DLA), and nominee made this petition for non-payment of death claim under SSS policy issued by LIC. Against her representation, she was informed that the policy had lapsed w.e.f. August'99 and nothing was payable. Hence, this petition was filed for relief.

According to the insurance company, the policy was under SSS with DOC 28.09.1998. They enquired from the employer Jogesh Chandra Tea Estate with regard to premiums that have been deducted from the DLA's salaries and remittance particulars and it was found that the premiums were deducted up to April, 2000 (DLA was killed on 15.05.2000), but remittance was made only up to July 1999. The employer failed to remit premium deducted from salary due to paucity of funds. According to the insurance company, since the employer was at fault, they regretted the same. The insurance company further stated that they sent the claim forms to the claimant and stated that they requested their competent authority to consider the claim as ex-gratia. According to them, the complainant has not yet submitted the claim forms.

Decision :

Death of the life assured was established and it was presumed that the insurer have not denied the claim. As per the details mentioned above, the premiums were deducted up to April 2000 and, therefore, the policy was in-force at the time of death of the DLA. Though the claim was lodged after more than 3 years, the insurance company under

their own guidelines can consider the claim according to merit. It was found that the DLA was a Tea Garden employee, who died a violent death and, therefore, it was likely that the completion of formalities have taken some time, as it was a case of alleged murder. This was a reasonable ground for considering the allowability of the claim after 3 years.

Under these circumstances, the insurance company were directed to condone the delay and after receiving the required documents and after investigation, if any, were directed to decide about the allowability of the claim and do the needful. The complainant was requested to cooperate with the insurance company and submit the required documentation.

Kolkata Ombudsman Centre
Case No. : 394/21/001/L/08/2006-07
Hav. Md. Nazrul Hoque
Vs
Life Insurance Corpn. of India

Award Dated : 07.03.07

Facts & Submissions :

This petition was filed by the complainant for repudiation of a death claim by the LIC authorities.

The complainant, Hav. Md. Nazrul Hoque was a NCO in the Indian Army who purchased the policy for his wife with Sum Assured of Rs.32,000/- with risk commencing on 27.9.2003 at the age of 27 years. The cause of death was found as 'NASOPHARYNGEAL CARCINOMA'. The complainant submitted Claim Forms and the Insurer repudiated the claim on 07.11.2005 on the ground of withholding material information with regard to the previous treatment of Epistaxis or Nasal Bleeding in the year 1998. The Zonal Authorities, of LIC, again rejected the complainant appealed for re-consideration of the same. He stated that his deceased wife maintained a good and normal health and she never underwent hospitalisation excepting for delivery. However, she was treated for Sinusitis previously.

The Insurance Company repudiated the claim on the ground that the Deceased Life Assured had withheld the material information regarding her health at the time of filling the proposal form and as a result of which the policy was issued on the basis of that information. According to the Insurance Company, the claim form itself indicated that the deceased was suffering from Nasal Bleeding and Epistaxis problem for the last 3 years and that history sheet indicated that she was suffering from such disease since 2001. Since the above facts were not disclosed in the proposal form, there was no alternative, but to repudiate the claim.

Decision :

On going through the Butterworths Medical Dictionary, it was found that Epistaxis meant for bleeding from the nose. It could happen due to local disease of the nasal passage or some times, it could occur due to manifestation of the general disease, or it could happen in the earlier stages of acute fever and some blood diseases and also it could happen due to high blood pressure or it could happen from any other cause also. The deceased was only 27 years old and nasal bleeding frequently or now and then prior to the inception of the policy did not indicate that cancer had entered into her body. The claimant had sufficient insurance coverage and he had excellent treatment facilities in the Military Hospitals. This office did not think that she would misrepresent in the proposal form with regard to her health. Bleeding from the nose was quite normal disease. It should not be mandatory on the part of the claimant to disclose it in the

proposal form. Under the circumstances, it was held that there was no evidence to establish that cancer was existed prior to inception of the policy. Therefore, this office held that the arguments put forth by the insurance company that the claim was not tenable owing to pre-existence of the disease did not hold good. Therefore, the Insurance Company was directed to pay the claim, as per policy conditions.

Kolkata Ombudsman Centre
Case No. : 374/24/001/L/08/2006-07
Smt.Rina Mandal
Vs
Life Insurance Corpn. of India

Award Dated : 07.03.07

Facts & Submissions :

This petition was filed by the complainant for non-settlement of death claim against the above policy issued by Life Insurance Corpn. of India.

The complainant, Smt.Rina Mandal, nominee and wife of the L/A, late Chitta Ranjan Mandal filed this death claim as her husband expired on 26.6.2004. The relevant documents viz. claim forms etc. were submitted to the LIC on 9.9.2004. Till then there was no response from the LIC. Hence, this petition was filed for seeking relief before this forum.

The Insurance Company did not send any self-contained note.

Decision :

The complainant was requested to submit the specific documents, as sought for, by the LIC authorities for processing the claim. Simultaneously, the LIC authorities were directed to complete processing of the claim on receipt of the documents and inform the complainant accordingly.

Kolkata Ombudsman Centre
Case No. : 458/21/001/L/09/06-07
Smt. Grace Clara Kachhap
Vs
Life Insurance Corporation of India

Award Dated : 08.03.07

Facts & Submissions:

This petition was filed by the complainant Smt. Grace Clara Kachhap with regard to repudiation of death claim under the policy on the life of her husband Late Ferdinand Toppo, deceased life assured (DLA).

Shri Ferdinand Toppo purchased an insurance policy from LIC with date of commencement (DOC) 28.08.01. Smt. Grace Clara Kachhap, wife and nominee of the DLA, stated that LIC authorities repudiated the death claim and her further representation was not considered. Briefly facts of the case are as under:

Shri Ferdinand Toppo purchased a policy on 28.08.01. The proposal was received on 28.08.01 and the DOC was 28.08.01. Unfortunately, he died on the very same day early in the morning. From the policy papers, it could be seen that he was suffering from jaundice vide report dated 29.08.01. Claim Form 'B1' indicated that he was brought dead at 08.30 A.M. to the hospital.

A hearing was fixed. The representative of the insurance company attended while the complainant did not attend. The representative of the insurance company stated that

the contract was not complete and even if the claim was considered, the patient was suffering from jaundice before the inception of the policy as per the available certification. Under these circumstances, the insurance authorities repudiated the claim.

Decision :

On going through the evidence available, it could be seen from the death certificate issued by the Military Hospital at Ranchi that the date of death was 28.08.01. The claim form 'B1' indicated that the patient was brought dead and the cause of death was jaundice. The hospital authorities relied on the Post Mortem Report (PMR) dated 29.08.01 and the report stated that there was no evidence of any injury external or internal and the death was due to jaundice.

On scrutiny of proposal papers, it was found that the DLA deposited Rs. 5,057/- on 14.08.01 i.e., 14 days before the date of death and he appeared to have signed the proposal papers on 14.08.01. However, the proposal was received by LIC on 28.08.01 (Inward No. 912) and registered under proposal no. 1446 on 29.08.01. Proposal was underwritten on 29.08.01. It was a known fact that in the case of First Premium that has been sent with the proposal and the proposal was accepted without any modification, the insurer normally assumes risk from the date of acceptance, assumption of risk being communicated by a simple receipt issued for the First Premium. However, the acceptance is always subject to the condition that if any adverse event communicated with the risk has occurred between the date of proposal and the date of acceptance, the assurance will be invalid unless intimation of such event is given to the insurer and acceptance is re-approved. In this case, although the proposal deposit was converted into premium and the proposal converted into a policy, the proposer had died before acceptance. Therefore, the contract was not concluded.

Under these circumstances, the repudiation of claim by the insurance company was upheld. However, the premium paid in the form of proposal deposit should be refunded to the legal heir since the contract was not concluded. The insurance company were directed to refund the amount of premium paid.

Kolkata Ombudsman Centre
Case No. : 891/24/001/L/03/05-06
Smt. Romee Sarkar
Vs
Life Insurance Corporation of India

Award Dated : 08.03.07

Facts & Submissions:

This petition was filed by Smt. Romee Sarkar for non-settlement of death claim on the life of her husband Shri Subhasish Sarkar, deceased life assured (DLA) by LIC.

Smt. Romee Sarkar, the complainant, in her original complaint dated 23.03.06 and 'P' form details received on 12.04.06 stated that her husband Shri Subhasish Sarkar died on 05.03.05 due to cancer, which was detected on 29.08.03. After his death, she submitted the claim forms on 21.09.05 along with all the available papers required by the insurance company. In spite of her several requests, the insurance company did not respond and death claim of her deceased husband's policies remained unsettled. Being aggrieved by non-settlement, this petition was filed seeking relief.

The insurance company sent a self-contained note stating that the complainant submitted death claim intimation along with forms in respect of the following 4 policies taken by the DLA:

i) 412787170 (ii) 413363804(iii) 416013100 (iv) 416013101

According to LICl, out of these 4 policies, only policy no. 412787170 was non-early claim under which the mother of the DLA was the nominee. On submission of Probate of the Will dated 30.12.05, the claim in respect of the said policy was paid on 28.01.06 to Smt. Romee Sarkar, the complainant. The claim forms for the other 3 policies were submitted on 23.12.05. The claimant was asked to submit form no. 5152 after being completed by Dr. P.K.Banerjee but the claimant, according to them, was unable to submit the forms. LICl, Zonal Office vide their letter dated 28.02.06 asked for submission of the following details:

(i) Details of operation (SOL, left Popliteal Fossa) i.e., date, place, name of surgeon, treatment particulars, etc.

(ii) Specific observation of Sr.DM

The complainant did not comply with the above requirements. Therefore, a further reminder was sent to her on 04.03.06.

Initially, the then Ombudsman directed LICl to send a report with regard to the above case vide his letter dated 01.08.06. The insurer vide their letter dated 29.12.06 stated that the death claims under the aforesaid policies stood repudiated by them on 24.11.06 on the strength of the evidence of past illness collected by them from Apollo Hospital. According to them, discharge summary dated 30.06.03 of Apollo Hospital indicated that the DLA was suffering from pain and swelling in the left knee for the last 20 years and underwent surgical operation in 1997. Before surgery, flexion was 25 to 30 degree of mobility and after surgery the same was increased to about 50%. They stated that this information was not mentioned in the proposal form under question nos. 11(a), 11(b), 11(d), 11(e). Therefore, it was held that material information was withheld, which affected their underwriting decision. LICl, therefore, repudiated the claim.

HEARING :

To resolve the issue, a hearing was fixed for 27.02.07 where both the parties attended. The representative of the insurance company gave a copy of the discharge summary dated 30.06.03 from Apollo Hospital, which indicated that the patient was having complaints of pain and swelling in the left knee for the last 20 years. He was operated in 1997 for one of the knees. The problem recurred in March 2003 and the DLA was admitted to Apollo Hospital during the period 19.08.2003 to 30.08.2003. He was operated (excision of tumour) on 21.08.03 and Biopsy was done after operation. The said hospital at the time of discharge referred him to Oncologist and advised chemotherapy on the basis of Biopsy Report.

On the other hand, the complainant gave a written submission, which included inter-alia the following:

(i) The proposal papers were signed blank by her late husband and handed over to the agent in good faith;

(ii) The proposal was booked in March'02, whereas her husband underwent surgery in the year 1997. The period covered was appx. 5 years and, therefore, as per the agent, it had no bearing on the evaluation of the risk on the date of proposal;

(iii) The last policy was booked in February'03 and by chance in June'03 'FNAC' of the knee was done at N.G.Medicare and no malignancy was detected;

(iv) At the time of proposal, her husband was quite healthy and he was looking after his business well. She got married in 2000 and was blessed with a daughter in 2001

and, therefore, she interpreted that her husband's health was in good condition. In view of the above, she requested that her claim may be considered sympathetically.

Decision :

The plea of the complainant as signing the proposal form blank without verifying the details was not acceptable, as an educated person is required to satisfy himself before a document is signed by him. If that is so, the answers to the questions should have been answered appropriately. The proposal forms for the 3 policies were dated 18.03.02, 28.02.03 and 28.02.03 respectively. The DLA was admitted for Synovial Sarcoma left knee joint with secondaries chest at Apollo Hospital between 19.08.03 to 30.08.03 and discharge summary of that hospital indicated that he underwent an operation in the year 1997. Such a major operation was not mentioned in the proposal form for the policy taken on 18.03.02 and in the proposal forms submitted for the other two policies on 28.02.03. He had not answered correctly to question no. 11(b), which is as under:

"Have you ever been admitted to any Hospital or Nursing Home for general check up, observation, treatment or operation?"

The complainant's plea that the operation that was done in 1997 was approximately before 5 years does not have any relevance

The evidence that has been collected by the insurance authorities was irrefutable in the sense that the complainant's husband had not given any detail of his health with regard to knee operation. This was itself a misrepresentation and suppression of material facts. Therefore, it has to be held that the policy contract between the insurance company and the insured is vitiated. Under these circumstances, it was held that the repudiation of the death claim has been done after proper verification. In fact, the LIC authorities had been just when they paid the death claim for one of the policies as it was beyond the limitation of time period fixed. We were, therefore, constrained to state that the petition was dismissed without any relief to the complainant.

Kolkata Ombudsman Centre
Case No. : 385/24/001/L/08/2006-07
Smt.Sabitri Devi
Vs
Life Insurance Corpn. of India

Award Dated : 09.03.07

Facts & Submissions :

This petition was filed by the complainant for non-settlement of death claim under a policy issued by the LIC authorities.

The complainant, Smt.Sabitri Devi was the wife and nominee of her late husband, Mahesh Prasad with regard to Policy No.513003171. The DLA died on 16.2.2004. The complainant submitted the Claim Form and the Insurance Company issued the Dispatch Voucher for a payable amount of Rs.1,02,718/-. However, the claim remained pending.

A hearing was held on 8.3.2007 where only the representative of the Insurance Company attended and the complainant did not turn up. The representative of the Insurance Company gave a letter dt.7.3.2007 wherein they stated that a cheque was issued in favour of the complainant for Rs.99,384/- vide cheque No.130184 dt.7.11.2006 which was encashed on 15.11.2006. The cheque included interest for delay in payment after deduction of the uncollected premium.

Decision :

As the insurance company satisfactorily redressed the grievance, no further intervention was called for. Hence, the petition was closed and the same was disposed of accordingly.

Kolkata Ombudsman Centre
Case No. : 436/24/001/L/09/2006-07
Sri Krishna Jha
Vs
Life Insurance Corpn. of India

Award Dated : 09.03.07

Facts & Submissions :

The complainant for non-settlement of death claim filed this petition by the LIC authorities.

The complainant, Sri Krishna Jha was the husband and nominee of the policyholder, late Saraswati Devi who expired on 02.04.2004. Sri Krishna Jha filed a death claim under the said policy to the LIC.

As the claim occurred after 1 month and 4 days from the date of commencement of the policy, it took some time for the LIC authorities to investigate and come to a decision with regard to the admissibility of the claim. In the self-contained note dt.25.2.2007, the Insurance Company stated that they categorically admitted the claim of Rs.35,000/- under Policy No.534390619 and partly repudiated the claim for Rs.15,000/- because the DLA being a housewife could not be allowed insurance coverage more than the coverage on her husband, who had insurance for S.A. of Rs.35,000/- under 'In Force' Policy No.531781554. The reason for partial repudiation of Rs.15,000/- was that the deceased furnished wrong information about the status of her husband's insurance policies while submitting proposal on her own life since her husband's policy no.530929486 for S.A. of Rs.15,000/- was in lapsed condition with F.U.P. 01/2004.

Decision :

The complainant was requested to submit the required documents immediately, as sought for, by the LIC authorities to the concerned Branch for settlement of the claim to the extent of Rs.35,000/- as this had already been considered for payment. As there was no more grievance to interfere, the petition was closed and the same was disposed of accordingly.

Kolkata Ombudsman Centre
Case No. : 393/24/001/L/08/2006-0
Smt.Puspa Kumari
Vs
Life Insurance Corpn. of India

Award Dated : 09.03.07

Facts & Submissions :

This petition was filed by the complainant for non-settlement of death claim under 'Jeevan Anand' policy issued by the LIC authorities.

The complainant, Smt.Puspa Kumari filed a death claim on 'Jeevan Anand' policy purchased by her late husband, Chhatu Bhakta with D. O. C. on 28.01.2003. The L/A expired on 13.08.2003 due to sudden heart attack. In spite of filing the claim forms, the subject claim remained pending.

A hearing was held on 8.3.2007, where none of them present. However, Insurance Company sent a letter on 6.3.2007 indicating that the claim was settled and paid vide

cheque No.258433 dt.20.2.2007. Probably, only due to that reason the complainant did not attend the hearing held on 8. 3.2007.

Decision :

As the Insurance Company satisfactorily redressed the grievance, no further intervention was called for. Hence, the petition was closed at our end and the same was disposed of accordingly.

Kolkata Ombudsman Centre
Case No. : 213/21/001/L/06/06-07
Smt. Bimala Jangalwa
Vs
Life Insurance Corporation of India

Award Dated : 23.03.07

Facts & Submissions:

This was a petition filed by the complainant against repudiation of death claim by LIC. Shri Keshri Chand Jangalwa (Soni), deceased life assured (DLA) purchased a LIC policy by submitting his proposal on 24.08.2003. He expired on 21.10.2003 at Sujangarh, Rajasthan. The duration of the policy was 1 month 23 days. Smt. Bimala Jangalwa, wife and nominee of the DLA filed death claim intimation and submitted the required documents, but the LIC repudiated the claim on the ground of deliberate misstatement and withholding of material information. The complainant further represented before the insurance company, which was of no avail. According to her, the DLA had no prior serious illness and the death was due to sudden cardiac failure. She has filed this petition for relief before the Insurance Ombudsman.

The insurance company sent a self-contained note. According to them, they have indisputable proof that the DLA suffered from gastric problem and was under treatment from a Medical Practitioner. LIC, Bikaner Division obtained a certificate from an Ayurvedic Practitioner Dr. Ghewar Chand Gujar at Sujangarh that the DLA was under his treatment for last 4 months prior to death. According to them, the DLA suppressed these facts at the time of proposal. Had the DLA disclosed the above information prior to taking the policy, the underwriting decision would have been otherwise. LIC, therefore, contended that there was misrepresentation and deliberate misstatement and hence, the repudiation decision was in order.

HEARING :

A hearing was fixed wherein only the representative of the insurance company appeared. The complainant did not appear nor did she send any request for adjournment. However, a hearing was fixed once again for 20.03.07 requesting the petitioner to attend. The complainant attended with her relative. The complainant was informed that the policy was taken on 24.08.03 and the DLA expired on 21.10.03. Therefore, the insurance company made enquiries due to early claim. In those enquiries, it has been found that the DLA was suffering from gastric problem since 4-5 months as per the certificate issued by Dr. Ghewar Chand Gujar, Ayurvedic Doctor. Apart from that they have also made enquiries from the neighbour, who gave in writing that the DLA was suffering from gastric problem and was attended to by the above doctor. The statements were read out and she could understand the contents of the same. The relative was also informed that due to the certificate given by the Doctor that he was suffering from gastric problem since 4-5 months, the period falls before the inception of the policy and, therefore, the proposal form should have contained the information with regard to ailment the DLA was suffering. Since the proposal form does

not mention any of the problems, the insurance company repudiated the claim on the ground that there was suppression of material facts.

Decision :

As it was an early claim (1 month 23 days) and there is proof that the DLA was suffering from gastric problems, it could not be stated that the DLA was not in the knowledge of his ailment at the time of signing the proposal form. Therefore, it had to be held that there was suppression of material facts. Under these circumstances, I do not have any other alternative but to agree with the decision of repudiation made by LIC. Accordingly, no relief was granted to the complainant.

Kolkata Ombudsman Centre
Case No. : 268/24/001/L/07/2005-2006
Shri Tapan Kumar Lahiri
Vs
Life Insurance Corporation of India

Award Dated : 28.03.07

Facts & Submissions :

The Insurance Ombudsman vide his order dated 18.11.2005 had passed recommendation as under:

“We have considered the facts and circumstances of the case as well as the materials available on record. In the instant case the policyholder expired after the date of maturity of the claims. The registered nominee pre-deceased the life assured. The complainant is one of the legal heirs of the said claim. The insurer expressed their inability to settle the claim due to non-submission of the original policy bond and last premium receipt. Submission of the policy bond in original and last premium receipt are required for the creation of the master and claim proceeds. Only on receipt of the policy bond in original, the servicing Branch can proceed in the above matter. We, therefore, direct the complainant to submit the required documents to LIC for settlement of the claim. LIC will also process quickly and decide the claim after necessary verification with their record. LIC will decide the claim within a month from the date of receipt of the required particulars asked for by them.”

The claimant wrote a letter dated 26.07.06 stating that the LIC has not given effect to the aforesaid order even after he had sent the policy bonds and informed that he was unable to produce premium receipts. Keeping in view the difficulties expressed by the complainant and the insurance authorities, a hearing was fixed for 20.03.07 where both the parties attended. The claimant stated that the policies were very old. Policy no. 9252197 with DOC 23.09.1959 with Sum Assured of Rs. 1000/- was having a monthly premium of Rs. 6.23 and matured in 1974. Policy No. 9448492 with DOC 15.09.1961 with Sum Assured Rs. 2500/-; monthly premium of Rs. 15.69 and matured in 1976. Similarly, policy no. 9459223 with DOC 01.11.1961; quarterly premium of Rs. 47.50 and matured in 1976. The complainant stated that the policies had been assigned and reassigned during that period and premium was deducted from the salary of his father and, therefore, he was unable to send the last premium receipt. However, he sent the original policy bond to the company.

The representative of the insurance company stated that the claim was very old and they were not able to lay their hands on old records like policy records, ledger folio or claim papers. According to them, when the policy is matured, the claim operations were centralized under the then Calcutta Division.

We were unable to modify the order made by the previous Ombudsman. It is suffice to say that the policy bonds that have been submitted with the information assignment and reassignment and the fact that premiums were deducted from salary would indicate all premiums have been paid and question of verification, whether the premiums were paid, now is not possible due to efflux of time. Under these circumstances, the insurance company is requested to take a decision with regard to the payability of the sum assured to the claimant after taking the above facts into consideration.

However, the claimant is at liberty to seek redressal of his grievance with any other forum including this forum if the decision by the insurance company is not acceptable to him.

Kolkata Ombudsman Centre
Case No. : 562/21/001/L/11/06-07
Shri Sushil Gupta
Vs
Life Insurance Corporation of India

Award Dated : 28.03.07

Facts & Submissions :

This petition was filed by the complainant Shri Sushil Gupta for repudiation of death claim on the life of his father Shri Puttu Lal Gupta, deceased life assured (DLA) by LIC.

Shri Sushil Gupta, son and nominee of the DLA Late Puttu Lal Gupta, stated that his father had taken a policy with DOC 28.03.1999. The life assured died on 15.12.2001. After the death, a claim was raised against the policy and the same was repudiated on the ground of non-disclosure and suppression of material facts. The representation made by the complainant did not yield any result. Therefore, this petition has been filed for relief.

The insurance company stated that the policy was allowed to be lapsed by the life assured for non-payment of premium due on 28.06.1999 without acquiring any paid up value. The policy was revived on 02.07.2001 for full sum assured on the strength of personal statement regarding health made by the deceased on 27.06.2001. The life assured had answered question no. 2(a) as "No" and question no. 4 as "Good" in the revival form. The insurance company maintained that they have indisputable proof to show that the DLA had been suffering from Chronic Obstructive Pulmonary Disease and that he had suffered from Pulmonary Tuberculosis with Pulmonary Fibrosis, but he did not disclose these facts in the personal statement. The policy was revived on 02.07.2001 and the life assured died on 15.12.2001 at Marwari Relief Society Hospital, Kolkata. The duration of the policy after revival was only 5 ½ months and the hospital records indicated that the life assured was a known case of COPD with old Pulmonary Koch. These diseases were chronic in nature. Therefore, the insurance company held that that there was suppression of material facts in the revival form and repudiated the claim.

A hearing was fixed wherein both the parties attended. The complainant was informed that though the policy was taken originally w.e.f. 28.03.1999, it got lapsed due to non-payment of premium due on 28.06.1999. The policy that was taken up for revival on 02.07.2001 would be treated as a fresh policy and any disease prior to this date had to be mentioned in the personal statement form. He was also informed that the Declaration of General Health signed by the DLA did not contain any information regarding his disease because of which the life assured passed away. The

representative of the insurance company defended the decision of repudiation of claim on the lines mentioned above i.e., non-disclosure of material fact in the proposal form.

Decision :

The complainant was informed that the revived policy was only 5 ½ months old and that the DLA was suffering from chronic diseases which was within his knowledge while signing the personal statement form and, therefore, it could be easily inferred that he had not disclosed the health condition in the personal statement even after having the knowledge of the same. It was, therefore, held that there was suppression of material facts at the time of reviving the policy. Under these circumstances, we did not have any other alternative but to agree with the decision of the insurance company with regard to repudiation of the claim. The petition was dismissed without any relief to the complainant.

Kolkata Ombudsman Centre
Case No. : 172/24/001/L/06/06-07
Shri Prabir Kumar Bose
Vs
Life Insurance Corporation of India

Award Dated : 30.03.07

Facts & Submissions :

This petition was filed by the complainant Shri Prabir Kumar Bose for non-settlement of claim arising out of death of his father Late Jiban Krishna Bose, deceased life assured (DLA).

The complainant was the nominee under policy no. 430937612 with DOC 07.02.1993. The life assured died on 27.02.1994, 1 year 20 days after the commencement of the policy. The complainant submitted the claim forms on 25.01.2005. As the claim remained pending, this petition has been filed before this forum for relief.

LICI stated that the life assured died of Cirrhosis of Liver at home after 1 year 20 days of taking the policy and the nominee sent the claim forms on 18.01.2005, nearly 11 years after death, date of death being 27.02.1994. There was no possibility of any investigation to be conducted to determine the allowability of the claim.

HEARING :

Originally a hearing was fixed for 06.02.2007. The Petitioner did not attend but sent a representative who was not permitted to attend. Therefore, another hearing was fixed for 20.03.07 where both the Petitioner and the representatives of the insurance company attended. The Petitioner was asked why the claim was made after 11 years when the life assured died on 27.02.1994. According to him, he sent a letter on 03.09.1996 informing the death of his father. In response to this letter, the insurance authorities requested him to submit all the documents including the death certificate, etc. vide their letter dated 05.09.1996. He, however, stated that this letter was replied only on 27.09.2004 i.e., nearly 8 years later. He was asked why there was a delay in submitting these forms for 8 years. He stated that obtaining the death certificate took lot of time and the same was issued to him only on 11.09.2004. He could not give any reason for such inordinate delay.

The representatives of the insurance company defended their repudiation decision on the ground that the claim was made after more than 10 years and that the medical

certificates submitted by the claimant contained the cause of death as "Cirrhosis of Liver". Therefore, according to them, the repudiation was done correctly.

DECISION :

On going through the evidence available, I am unable to agree with the complainant that the death certificate could not be obtained earlier. The delay was about 8 years. Therefore, verification of claim makes it impossible for any insurance company. Added to this, the claim forms filed by the insured indicate cause of death as "Cirrhosis of Liver" and that the death occurred within 1 year 20 days after the DOC indicates that "Cirrhosis of Liver" existed prior to the inception of the policy. There was undue delay in submission of the claim papers and therefore, verification and investigation of claim, since the death of the life assured was within one year twenty days from the date of the policy cover, was very difficult. Therefore, under these circumstances, we had to agree with the repudiation made by the LIC and reject the petition without any relief to the complainant.

**Lucknow Ombudsman Centre
Case No. : L-326/21/001/06-07**

Smt.Veena Devi

Vs

Life Insurance Corporation of India

Award dated 30.10.2006

Smt. Veena Devi had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy no.562381325 on the life of her husband Shri Sukhveer Singh. The claim was denied on the ground of suppression of material fact relating to the illness of Peri ampullary Carcinoma with which the deceased life assured was suffering prior to the date of proposal which was established from the certificate of employer submitted by the insurer. The proposal in the case though was not submitted but in the facts & circumstances of the case when the deceased life assured could not have been granted insurance if he would have disclosed the details of illness of Peri ampullary Carcinoma with which he was suffering from, obvious inference was that he had not disclosed the same in the proposal form. Although technically it was a lacunae in the evidence led by the insurer but since the Insurance Ombudsman is not bound by all the technical rules of evidence but under RPG rules 1998 is only required to dispose of a complaint fairly and equitably, the repudiation in the facts and circumstances was held to be in order.

**Lucknow Ombudsman Centre
Case No. : L-431/21/001/06-07**

Shri Amitesh Makan

Vs

Life Insurance Corporation of India

Award dated 30.10.2006

Shri Amitesh Makan had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy no.263254593 on the life of his mother Smt. Latika Makan on the ground that there was material nondisclosure about her health, and having pain in her abdomen, in the proposal form for the last 2 years. The fact of nondisclosure was established by the insurer by submission of certificate of hospital treatment from Krishna Kare Hospital, Agra. Although the complainant stated that the duration of her disease suffering from pain on right side of

the abdomen for last 2 years was stated by her to the doctor which was incorrect but no reasons were ascribed nor this was supported by the discharge summary of the hospital. The repudiation of the claim therefore on the ground of nondisclosure of material was held to be in order.

Lucknow Ombudsman Centre

Case No. : L-405/21/001/06-07

Shri Nidhish Kumar Gupta

Vs

Life Insurance Corporation of India

Award dated 30.10.2006

Shri Nidhish Kumar Gupta had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy no.271221053 under Jeevan Sathi policy. The claim was repudiated on the ground that there was material nondisclosure about the ailment of breast cancer with which the life assured Smt. Taruna Gupta was suffering from for last 3 months. Besides although she had consulted the doctors as an OPD patient at Himalayan Institute Hospital, Dehradun after submitting the proposal but before it was accepted she had failed to intimate the state of her health after knowing that she was suffering from cancer. The insurer submitted the copy of OPD card and discharge summary from Himalayan Institute Hospital, Dehradun. On a perusal of the certificates it was established that the deceased life assured had consulted first the doctors of the hospital authorities as OPD patient on 24.05.03. Since the history stated by her was to the effect that she was having the problem of breast cancer for last 3 months, it was obvious that she had failed to discharge the obligation of intimation of the state of health before acceptance of the proposal which was a breach of warranty as contained in the proposal form. The repudiation of the claim was, therefore, held to be in order.

Lucknow Ombudsman Centre

Case No. : L-411/21/001/06-07

Smt. Maduri Devi

Vs.

Life Insurance Corporation of India

Award dated 09.11.2006

Smt. Maduri Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.311300555 on the life of her husband Shri Mewa Lal on the ground that the life assured four years back prior to the date of proposal was suffering from diabetes mellitus and had consulted doctors for the purpose. The insurer in support of its contention submitted the copy of BHT from SGPGI, Lucknow and the copy of certificate of Hospital treatment from SGPGI, Lucknow based on the evidence submitted the repudiation of the claim was held to be in order.

Lucknow Ombudsman Centre

Case No. : L-379/21/001/06-07

Smt. Phoolpatti

Vs

Life Insurance Corporation of India

Award dated 09.11.2006

Smt. Phoolpatti had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy no.283418294 on the life of her husband Shri Ram Kumar Pandey on the ground that the life assured was suffering from cancer and fistula in ano and was also a smoker and addicted to chewing Khaini. The insurer submitted the copy of BHT from SSS hospital, BHU Varanasi wherein it was clearly stated that the deceased was a follow up case of Bronchoalveolar Carcinoma cancer with Fistula in ano. Since the death of the life assured had taken place within less than 4 months of taking the insurance, as per BHT it was a follow-up case and in the opinion of the DMR the Bronchoalveolar Carcinoma takes minimum one year to cause death, it was established that the deceased life assured had suppressed material facts regarding his illness with which he was suffering prior to the date of proposal and hence the repudiation action taken by the insurer was held to be in order.

Lucknow Ombudsman Centre

Case No. : L-429/21/001/06-07

Smt. Manju Chaturvedi

Vs

Life Insurance Corporation of India

Award dated 13.11.2006

Smt. Manju Chaturvedi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.214695948 on the life of her husband Shri Sanjay Chaturvedi on the ground that in the proposal dated 11.02.05 he had not disclosed about the illness of Myocardial Infarction With which he had suffered in the past and had also undergone Coronary Angiography and had remained admitted in the hospital. The insurer having established the above nondisclosure of material facts by submitting a copy of BHT and certificate of Hospital treatment and certificate of medical attendant from SGPGI, Lucknow, the nondisclosure being within two years from the date of effecting the insurance, the repudiation of claim under policy no.214695948 was held to be in order.

Lucknow Ombudsman Centre

Case No. : L-297/21/001/06-07

Shri Anupam Kumar Dubey

Vs

Life Insurance Corporation of India

Award dated 14.11.2006

Shri Anupam Kumar Dubey had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy nos.283653924 & 284675668 on the life of his father Shri Sudama Dubey on the ground that he was suffering from diabetes and kidney diseases prior to the date of the proposal. The insurer, however, did not submit any evidence in support of its decision except the investigation report of the two officers who had also not collected any evidence in support of their findings. Since no evidence was submitted by the insurer, the repudiation of the claim by the insurer was set aside and the claimant awarded full payment of claim amount under both the policies by the insurer.

Lucknow Ombudsman Centre

Case No. : L-344/21/001/06-07

Smt. Shahida Begum

Vs

Life Insurance Corporation of India

Award dated 14.11.2006

Smt. Shahida Begum had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy no.270290714 on the life of her husband Shri Shamshad Ahmed on the ground that on the date of the revival and the date of personal statement regarding health the deceased life assured was taking treatment in Prankur Hospital & Research Centre, Saharanpur which fact was not disclosed in the personal statement regarding health. This was established by the insurer by submitting certificate of hospital treatment from the Hospital authority which stated that the deceased life assured was admitted in the hospital on 12.02.05 and discharged on 17.02.05. The decision of the insurer therefore by admitting only paid up value under the policy was held to be in order.

Lucknow Ombudsman Centre

Case No. : L-379/21/001/06-07

Smt.Shanti Devi

Vs

Life Insurance Corporation of India

Award dated 14.11.2006

Smt. Shanti Devi had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy no.292250713 on the life of her husband Shri Rajkumar Jaiswal on the ground that there was nondisclosure of earlier policy no.291259118 which was lying in lapsed condition since September, 1999 and was not disclosed in the proposal form dated 12.09.02 submitted under impugned policy. The insurer submitted copy of computer generated status report in support of its contention but the complainant insisted upon that a cheque in payment of quarterly premium due 09/99 under policy no.291259118 had been dishonoured and as such the policy was lying in lapsed condition since June 1999 and not September 1999 and the period of lapsation was therefore more than 3 years. The insurer having further verified its cash books has now confirmed the contention of the complainant and as such the letter of repudiation dated 30.03.05 under impugned policy was set aside and full payment of claim alongwith accrued bonus was awarded to the complainant.

Lucknow Ombudsman Centre

Case No. : L-53/21/001/06-07

Shri Sohan Lal Verma

Vs

Life Insurance Corporation of India

Award dated 15.11.2006

Shri Sohan Lal Verma had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy no.270845360 on the life of Smt. Chandrawati on the ground that in the proposal form and self declaration she had understated her age by about 24 years and that she was, therefore, uninsurable at the time the policy was effected. The insurer submitted the copy of will dated 18.11.1991, carrying a photo of the assured on the face of the document where under the assured had declared herself to be 65 years of age approximately, in support of its repudiation of claim. As per this document the life assured was 65 years of age on the date of execution and 74 years of age as on the date of the proposal. The complainant did not

dispute the will but contended that the life assured was an illiterate lady suffering from a stammer in her speech and that the compiler might have recorded a different age than actually stated by her. However, this argument on the face of it was not tenable as the document carried the photograph of the lady also and the lady as per the photograph affixed on the deed appeared to be of the age as declared in the document. The repudiation of the claim was, therefore, held to be in order.

**Lucknow Ombudsman Centre
Case No. : L-316/21/001/06-07**

**Smt. Ram Beti
Vs**

Life Insurance Corporation of India

Award dated 20.11.2006

Smt. Ram Beti had lodged a complaint with Insurance Ombudsman for allegedly unjustified repudiation of claim by LIC of India under policy no.221463648 on the life of her husband Shri Reet Ram on the ground that the life assured was suffering from COPD disease prior to the date of the proposal under the policy and he had not disclosed the same in the proposal. In support of its decision, the insurer submitted the family medical treatment card of OCF Hospital, Shahjahanpur, copy of medical attendant certificate/copy of certificate of hospital treatment from OCF hospital, Shahajahanpur, certificate of leave on claim form 'E' from the employer of the decease. As per the family treatment card of OCF hospital, Shahajahanpur Shri Reet Ram, Life assured had consulted the doctor at the hospital prior to the date of proposal and was diagnosed as suffering from dyspnea. As per the certificate of Hospital treatment the deceased was an old case of COPD. These facts were not disclosed in the proposal form. The insurer thus having established that the deceased life assured was suffering from the disease prior to the date of the proposal about which he had the knowledge and had not disclosed the same in the proposal form, the repudiation of the claim was held to be in order.

**Lucknow Ombudsman Centre
Case No. : L-362/21/001/06-07**

**Smt.Saraswati Devi
Vs**

Life Insurance Corporation of India

Award dated 23.11.2006

Smt. Saraswati Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.283866385 on the life of her husband Shri Ram Narayan Maurya on the ground that prior to the date of proposal he was not in a good health; was a disabled person and was coming to the school in a tricycle which facts were not disclosed by him in the proposal form. If these facts were correctly disclosed he would not have been given policy under Plan 149 at this age. In support of its contentions the insurer submitted statements from one Shri Krishna Mohan Maurya and Tej Nath Chouhan residents of the same village and Shri Bechu Singh, Head Master, Purva Madhyamik Vidyalaya where the life assured was doing the teaching job. The complainant contested these allegations and stated that her husband was in a good health before the date of proposal and was not a disabled person. Besides he was medically examined also by Corporation's doctor before the proposal was accepted. In her support she submitted statements from Gram Pradhan of the village where the life assured was residing as also from Gram Pradhan of the village where he was doing the teaching job and also one Shri Bhrigunath Ram who was the

life assured's colleague in the school. In all these statements it was clearly stated that the life assured was in sound health before the date of proposal and was not a disabled person. Considering the contradictory statements from the residents of village where the life assured was residing / teaching, the Insurer's representative was asked to submit affidavits from Shri Bechu Singh, Shri Tej Nath Chouhan and Shri Krishna Mohan Maurya as also any documentary evidence in support of the Insurer's contention such as prescriptions cash memo of medicines and hospital record of treatment etc. The complainant was also asked to submit her own affidavit and also affidavit from Gram pradhan of the village where the life assured was residing as well as also from the Gram Pradhan of the village where he was teaching; from Shri Bringunath Ram and also from an independent neighbour Shri Katwaru Maurya (Retired Sainik). Both the parties were allowed 15 days time for submitting the affidavits. Whereas the complainant has submitted all the evidences as directed the insurer has failed to submit any affidavit. Instead its two witnesses Shri Tej Nath Chouhan and Krishna Mohan Maurya have sent their affidavits directly retracing back from their early statement given before the investigating Officer. It was, therefore, obvious that the insurer has no documents to fall back in support of its repudiation and as such repudiation was held to be bad in law and the repudiation letter was set aside awarding full payment of claim alongwith the bonuses as per policy conditions.

Lucknow Ombudsman Centre

Case No. : L-485/21/001/06-07

Shri Ashok Kumar Agarwal

Vs

Life Insurance Corporation of India

Award dated 30.11.2006

Shri Ashok Kumar Agarwal had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.263145055 on the life of his mother Smt. Dinesh Agarwal on the ground that there was misstatement of facts regarding the age of her youngest child and that earlier policy no.261846374 was not disclosed in the proposal form. If these facts were disclosed the insurance could not have been granted to her since she was a widow. However, no evidence including the copy of the proposal which is the basis of contract and in which above misstatements were stated to have been made was produced as evidence to establish the contentions of the insurer. In absence thereof, the repudiation was held to be bad in law and not satisfying the conditions under Section 45 of Insurance Act 1938. Full payment of claim amount alongwith accrued bonus was, therefore, awarded to complainant nominee.

Lucknow Ombudsman Centre

Case No. : L-308/21/001/06-07

Smt. Durga Devi

Vs

Life Insurance Corporation of India

Award dated 30.11.2006

Smt. Durga Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.282692529 on the life of her husband Shri Ram Sewak Prasad Pal on the ground that the personal statement regarding health dated 22.01.03 submitted by the life assured for revival of policy on 23.01.03 was not actually signed by him but by some one else. In order to substantiate its contention the insurer submitted the hand writing expert's opinion of M/s R.K.

Jaiswal who in their report confirmed that the disputed signature marked as D-1 on the DGH dated 22.01.03 was not written by the writer of the admitted signature marked as A-1 on the proposal dated 28.12.01. The complainant did not submit any evidence to contradict the contention of the insurer. Since the contracts of insurance are contracts of utmost good faith and a fraud was perpetrated in getting the policy no.282692529 on the life of late Shri Ram Sewak Prasad Pal revived on 23.01.03, the repudiation of the claim by the insurer was held to be in order.

Lucknow Ombudsman Centre
Case No. : L-136/21/001/06-07
Smt. Nirmala Devi
Vs
Life Insurance Corporation of India

Award dated 30.11.2006

Smt. Nirmala Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy nos.283727653 and 283729391 on the life of her husband Shri Chhedi Lal Gupta on the ground that there was suppression of material facts regarding his illness of UGI bleed etc. with which he was suffering prior to the date of proposal. No evidence was, however, produced by the insurer and its decision was based on the opinion of insurer's Divisional Medical Referee who had opined that the illnesses relating to the assured mentioned in certificate of treatment at Hospital and certificate of medical attendant could have developed over a minimum of 3 – 5 years. No corroborative evidence to support the findings of DMR was produced nor it was established that even if the deceased life assured was suffering from these illnesses 3 – 5 years prior to the date of proposal this was within his knowledge. As per Section 45 of Insurance Act 1938 even if claim is repudiated within two years from the date policy was effected the insurer is required to establish that the information suppressed by the deceased life assured was on material facts and that these were within his knowledge. Having not been able to establish these ingredients, the letter of repudiation dated 26.05.05 issued by the insurer was set aside and full payment of claim under both the policies alongwith the accrued bonus was awarded to the complainant nominee.

Lucknow Ombudsman Centre
Case No. : L-435/21/001/06-07
Shri Sanjay Kumar Jain
Vs.
Life Insurance Corporation of India

Award dated 30.11.2006

Shri Sanjay Kumar Jain had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.263384825 on the life of his wife Smt. Shobha Jain on the ground that the life assured had not disclosed material facts regarding her illness with which she was suffering prior to the date of proposal and had fraudulently in connivance with the Agent avoided medical examination by making an impostor to appear before the LIC medical examiner. In support of its contention the insurer's representative submitted the prescriptions of Dr. N.L. Patney, BHT from Ram Raghu Hospital, Agra, copies of proposal form dated 28.03.04 and medical report dated 28.03.04 alongwith Hand-writing Expert Shri Deepak Kashyap's report dated 05.04.06 and the opinion of its DMR Dr. Rajeev Mangal.

Although the BHT and the prescriptions could only establish that the deceased life assured was suffering from CRF since Jan., 05 but from the proposal and the medical examiner's report dated 28.03.04 it was obvious that the life assured who had signed the proposal form had not signed the medical examiners report leading to the conclusion that the life assured was not produced for medical examination and some imposter was produced by the Agent for avoiding the correct medical examination and diagnosed of the disease with which the life assured was suffering from. Thus a fraud was practiced on the Corporation by the life assured in connivance with the agent which was established from the hand-writing Expert's opinion. Since no one can be allowed to reap benefits out of his/her fraud the repudiation action in repudiating the claim under policy 263348825 was upheld.

Lucknow Ombudsman Centre

Case No. : L-317/21/001/06-07

Smt. Marro Devi

Vs

Life Insurance Corporation of India

Award dated 08.12.2006

Smt. Marro Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.221684371 on the life of her husband Late Shri Jaswant on the ground of gross understatement of age in the proposal form. The Insurer had submitted copy of Pariwar Register, copy of Ration Card carrying the photograph of the late life assured and copy of a will dated 04.04.02 also carrying the photograph of late life assured. The claimant has disputed the Pariwar Register but has not commented any thing about Ration Card and the copy of will dated 04.04.02 and has also not submitted any other document to establish the correct age of the late life assured. I have, therefore, concluded that the two documents viz. copy of Ration Card and Copy of will dated 04.04.02 carrying the photograph of late life assured inspire more liability and as such the life assured had grossly understated his age by more than 12 years in the proposal form. The claim had, therefore, rightly been repudiated by the insurer. However, the award will not come in the way of payment of refund of premiums offered by the Zonal Manager to the complainant on ex-gratia basis.

Lucknow Ombudsman Centre

Case No. : L-337/21/001/06-07

Shri Ranjan Agarwal

Vs

Life Insurance Corporation of India

Award dated 15.12.2006

Shri Ranjan Agarwal had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.283192475 on the life of his father Shri Bharat Das Agarwal on the ground that he was suffering from Chronic renal disease prior to the acceptance of the proposal under the policy. The insurer in its support submitted the copy of the certificate from one Dr. S.B. Singh which stated that the deceased life assured was suffering from chronic renal failure and further stated that it was submitted by the complainant himself along with an affidavit to the investigating Officer. Although the complainant stated that it was a fake certificate and submitted an affidavit from the Doctor that he had not issued any such certificate or

treated the person but since the signatures of the doctor on the affidavit did not tally with his signature on the certificate and that original of the affidavit was not produced and also that it was submitted by the complainant himself, the certificate submitted by insurer appeared to be reliable and complainant's version are after thought, the repudiation of the claim, therefore, was held to be in order.

Lucknow Ombudsman Centre
Case No. : L-451/21/001/06-07
Smt. Sarojini Saini
Vs
Life Insurance Corporation of India

Award dated 15.12.2006

Smt. Sarojini Saini had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.232261766 on the life of her Husband Shri Jagdish Chandra Saini on the ground that there was non-disclosure of the old T & D Kock's infection in lungs with which deceased life assured was suffering prior to revival of policy. The policy was lying in lapsed condition since 11/2003 and was revived on 14.06.05 on payment of premium due 11/2003 and 11/2004 on the basis of personal statement regarding health dated 19.04.05. The insurer in its support submitted copy of prescription dated 11.08.05 from one Dr. A.N. Chaturvedi which stated that the deceased life assured had consulted him for acute Bronchitis and CHF and was suffering from old T & D Kock's infection in lungs on 11.08.05. The pathological reports also suggested that he had a high creatinine value. Although the insurer could not submit any document establishing ailments of the deceased life assured prior to the date of revival but since he had died within 2 months from the date of revival and that just after two months from the date of revival he had consulted Dr. A.N. Chaturvedi for serious ailments it was suggestive that he was suffering from these ailments prior to the date of revival and that he had knowledge of the same and that he did not disclose the ailments in the Personal statement regarding worth to gain unfair advantage. The repudiation of claim and offer of paid up value to the complainant was, therefore, held to be in order.

Lucknow Ombudsman Centre
Case No. : L-380/21/001/06-07
Shri Ram Prasad
Vs.
Life Insurance Corporation of India

Award dated 19.12.2006

Shri Ram Prasad had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.214488494 on the life of his wife Smt. Dayawati on the ground that there was suppression of material fact relating to the disease of bleeding piles with which she was suffering from prior to the date of the proposal. The insurer in his contention submitted the copy of a certificate of Hospital treatment from District Hospital where at the time of admission the life assured herself had stated the history of the disease to be for last 3 years. Since this period ranged prior to the date of proposal and that no evidence to contradict this was submitted by the complainant, the repudiation of the claim by the insurer was held to be in order.

Lucknow Ombudsman Centre
Case No. : L-593/21/001/06-07

Smt. Kusum Lata Srivastava
Vs
Life Insurance Corporation of India

Award dated 22.12.2006

Smt. Kusum Lata Srivastava had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.310923320 on the life of her husband Shri Alakh Nath Srivastava on the ground that he had withheld/suppressed material information regarding the disease of diabetes with which he was suffering from last 13 years and disease of hypertension with which he was suffering from last 3 years. The insurer in support of its contention submitted the copy of certificate of last medical attendant from KG Medical College, Lucknow (claim form 'B') and certificate of hospital treatment (claim form 'B1') from KG Medical college, Lucknow. As per these certificates the deceased life assured was admitted in the hospital on 13.03.02 and died on 14.03.02. The patient was a known case of diabetes mellitus with which he was suffering from last 13 years and hypertension with which he was suffering from for last 3 years. The history was narrated by relative as the patient was unconscious. This fact was further corroborated by the complainant's own admission in her representation to the Zonal Manager and by the complainant's representative during personal hearing. However, she stated that this was brought to the knowledge of the concerned agent by her husband and that her husband was completely hale and hearty performing his normal duties.

Since the fact that the life assured was suffering from diabetes and hypertension has been established by the evidences submitted by the insurer and also by the complainant own admission it was immaterial that the deceased life assured had brought this fact to the knowledge of the agent who had filled in the proposal form as it is well established that the agent while filling in the proposal form represents the life assured and not the insurer. Further the life assured has signed the declaration wherein he had declared that he is signing the proposal form and the question contained therein after fully understanding the same and that these were correct and complete in all respect and that nothing was withheld. Looking to the above the repudiation of the claim by the insurer was held to be in order.

Lucknow Ombudsman Centre
Case No. : L-272/21/001/06-07
Shri Shree Pal Singh

Vs
Life Insurance Corporation of India

Award dated 22.12.2006

Shri Shree Pal Singh had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.221577679 on the life of his Uncle Shri Pahalwan Singh on the ground of understatement of age in the proposal form dated 07.05.2000. The insurer relied on the copy of Pariwar register but the complainant produced another Pariwar register and the Ration Card as per which there was no understatement of age. Besides he also produced the original of these two documents and the affidavit in support of the age of the life assured from the present Gram Panchayat Vikas Adhikari and the Gram Pradhan, whereas the insurer's representative failed to produce the original of the Pariwar register or an affidavit from the Ex or the present Gram Panchayat Vikas Adhikari stating any understatement of age by the life assured. The repudiation was, therefore, held to be not sustainable in the absence of any evidence and as such the letter of repudiation dated

31.03.05/11.04.05 issued under the policy was set aside and the complainant was awarded his share of the claim amount under the policy as per rules of the insurer.

Lucknow Ombudsman Centre

Case No. : L-408/21/001/06-07

Smt. Anita Mishra

Vs

Life Insurance Corporation of India

Award dated 29.12.2006

Smt. Anita Mishra had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.231238050 on the life of her husband Shri Sohan Lal Mishra on the ground of material suppression of facts regarding his illness of Gastroenteritis prior to the date of proposal. The insurer's representative submitted copy of prescription of Dr. A.K. Omar dated 27.11.02, receipt of pathological reports from Parakh Diagnostic Centre dated 28.11.02, receipt of medicines dated 28.11.02 and medical certificate of Dr. A.K. Omar for availing leave on medical ground between 27.11.02 to 29.11.02. It was the insurer's contention that deceased life assured had suffered from illness of Gastroenteritis from 27.11.02 and that he was under continuous treatment since then till his death. No evidence was, however, adduced in support of its contention except the above. The complainant denied the above allegations and submitted even the copy of the pathological report of Parakh Diagnostic Centre. On perusal of the pathological reports it was observed that the deceased life assured was suffering from low haemoglobin and high SGPT on 28.11.02. Further on the basis of pathological reports taken few days before his death, low haemoglobin and high SGPT were observed as persisting. Looking to the above, the repudiation of the claim by the insurer was held to be in order. However, to be just and fair to the complainant, the payment of basic sum assured was awarded as ex-gratia.

Lucknow Ombudsman Centre

Case No. : L-387/21/001/06-07

Shri Raj Kumar Verma

Vs

Life Insurance Corporation of India

Award dated 09.01.2007

Shri Raj Kumar Verma had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.283804474 on the life of his mother Smt. Suhuti Devi on the ground that the life assured had misstated her occupation as vegetable vendor in the proposal form whereas she was a house hold lady only and could not have been granted insurance without having an equivalent policy on the life of her husband. In support of its contention the insurer submitted statements from her husband and father-in-law signed on a plain paper. The complainant nominee, the son of the life assured on the other hand disputed the allegations as well as the statements submitted by the insurer and submitted an affidavit from Gram Pradhan and statement from two residents from the locality to the effect that her mother, the late life assured was engaged in growing and selling vegetables. The insurer was given 30 days time to submit an affidavit from the husband and father-in-law of the life assured who had given statement on plain paper but the insurer failed to submit that within the stipulated time. Since these statements given on plain paper have got no evidentiary value, the repudiation of the claim by the insurer

on the basis thereof was set aside and the complainant nominee awarded the full sum assured along with accrued bonus.

Lucknow Ombudsman Centre
Case No. : L-552/21/001/06-07
Shri Madhav Prasad Srivastava

Vs

Life Insurance Corporation of India

Award dated 15.01.2007

Shri Madhav Prasad Srivastava had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.214377059 on the life of his son Shri Sandeep Kumar Srivastava on the ground of nondisclosure of illness of bronchial Adenoma with which he was suffering for last 6 months. The Insurer in its support submitted copies of certificate of medical attendant and certificate of hospital treatment from Sir Sundar Lal Hospital BHU, Varanasi stating the history of disease for last 6 months as stated by the patient himself. The complainant denied these allegations but did not submit any evidence to controvert these evidences submitted by the insurer and as such the repudiation of the claim, being within two years from the date the insurance was effected, was held to be in order.

Lucknow Ombudsman Centre
Case No. : L-350/21/001/06-07
Smt. Gayatri Devi

Vs

Life Insurance Corporation of India

Award dated 16.01.2007

Smt. Gayatri Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.214863840 on the life of her husband Shri Satya Deo Singh on the ground that there was material nondisclosure/ suppression of material facts regarding the disease of diabetes mellitus, hypertension and dilated cardiomyopathy with which the life assured was suffering for last 20, 23 and 1 year respectively. The insurer in its support submitted the copies of medical attendant certificate and certificate of hospital treatment from KGMU, Lucknow wherein the concerned doctor had recorded past history of illness. As per this history which was stated by the patient himself the life assured was suffering from diabetes mellitus for 20 years, hypertension for 23 years and dilated cardio myopathy for 1 year. The complainant submitted her own affidavit and the affidavits of two of her neighbours stating that the deceased life assured was not suffering from any of these diseases prior to his death but viewing the two evidences it was held that the statement recorded by the doctors of KGMU was more reliable as recording was done by an independent neutral authority whereas the evidences submitted by the complainant were by interested persons. The repudiation of the claim by the insurer was, therefore, held to be in order.

Lucknow Ombudsman Centre
Case No. : L-527/21/001/06-07
Shri Sarvjit Gupta

Vs.

Life Insurance Corporation of India

Award dated 16.01.2007

Shri Sarvjit Gupta had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.292487559 on the life of his wife Smt. Simrikha Devi on the ground that in the proposal form she had stated her profession as being engaged in sewing, weaving and embroidery work whereas she was a household lady. The insurer submitted copy of statement from few residents of the locality including the son of the life assured and from Up-Pradhan of the village to establish that the life assured Smt. Simrikha Devi was a household lady and was not engaged in any independent occupation or profession. As per insurer household ladies are not granted insurance unless there is insurance policy inforce on the life of their husbands for an equivalent amount which is not so in the present case. The repudiation, being within two years from the date the policy was effected, was therefore held to be in order.

Lucknow Ombudsman Centre

Case No. : L-421/21/001/06-07

Smt. Mayawati

Vs

Life Insurance Corporation of India

Award dated 18.01.2007

Smt. Mayawati had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.252586678 on the life of her husband Shri Krishna Gopal on the ground that there was material suppression of illness in the personal statement regarding health submitted for revival of the policy. The insurer relied on medical attendant certificate and certificate of hospital treatment wherein the duration of illness of vomiting and restlessness was stated to be one year which went beyond the date of personal statement regarding health. However, since the claim had been repudiated two years after the date on which the policy was effected insurer failed to establish that the life assured had the knowledge of these diseases alleged to have been suppressed nor that the suppression was made fraudulently. Under the circumstances the claimant was entitled to Notional Paid up value as per Chairman's Relaxation Rules.

Lucknow Ombudsman Centre

Case No. : L-605/21/001/06-07

Smt. Geeta Devi

Vs

Life Insurance Corporation of India

Award dated 19.01.2007

Smt. Geeta Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.253053087 on the life of her husband Shri Lal Bahadur Singh on the ground that he had not disclosed about the ailments with which he was suffering prior to the date of the proposal in the proposal form. The insurer in support of its contention submitted copy of certificate of hospital treatment and copy of medical attendant from Safdarjang Hospital, New Delhi where the assured had taken the treatment at the time of his terminal illness. As per the history stated by the patient in these certificates, the life assured was suffering from abdomen pain for 1½ years and chest pain for last two years. Since these facts which were within his knowledge were not disclosed in the proposal form, the repudiation of the claim as per Section 45 of the Insurance Act 1938 was held to be in order.

**Lucknow Ombudsman Centre
Case No. : L-114/21/001/06-07
Shri Rupesh Kumar Gupta**

Vs

Life Insurance Corporation of India

Award dated 19.01.2007

Shri Rupesh Kumar Gupta had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.253185825 on the life of his wife Smt. Anita Gupta on the ground that the fact regarding earlier caesarian delivery was not disclosed in the proposal form by the life assured and this affected the underwriting decision of the insurer. If this would have been disclosed she would have been asked to complete addendum to proposal form as well as to submit report from attending Gynecologist on form 3341 and also to submit haemogram report. Besides one of the causes of her death was Hepatic Encephalopathy and Hepatitis-E infection developed during her pregnancy. Since the claim has been repudiated within two years from the date the policy was effected. The repudiation of the claim on the above ground which was established by certificate of hospital treatment and the admission of the complainant himself during personal hearing was, therefore, held to be in order.

**Lucknow Ombudsman Centre
Case No. : L-544/21/001/06-07**

Shri Jitendra

Vs

Life Insurance Corporation of India

Award dated 22.01.2007

Shri Jitendra had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.283695944 on the life of his mother Smt. Durga Devi on the ground that she was suffering from Anemia and Renal diseases prior to the date of the proposal but she did not disclose the same in the proposal form. However, no cogent evidence to establish the fact of nondisclosure of the disease was produced by the insurer so as to establish that conditions of Section 45 of Insurance Act 1938 were complied with. The letter of repudiation was, therefore, set aside and the complainant nominee awarded full payment of claim alongwith accrued bonuses.

**Lucknow Ombudsman Centre
Case No. : L-562/21/001/06-07**

Shri Nanhe Lal Yadav

Vs

Life Insurance Corporation of India

Award dated 22.01.2007

Shri Nanhe Lal Yadav had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.283592436 on the life of his wife Smt. Phoolwati Yadav on the ground that in the personal statement regarding health dated 09.11.05 submitted for revival of the above policy the life assured had suppressed the ailments with which she was suffering prior to the date of the revival. The Insurer however did not submit any evidence in support of his repudiation action even although 15 days time as further sought by its representative on the date of personal hearing for the purpose had elapsed by a sufficient margin. The repudiation letter dated 03.05.06 issued by the insurer was, therefore, set aside and nominee

complainant awarded payment of full sum assured alongwith accrued bonus under the policy.

Lucknow Ombudsman Centre
Case No. : L-628/21/001/06-07
S/Shri Pramod, Anil & Praveen Kumar
Vs
Life Insurance Corporation of India

Award dated 22.01.2007

S/Shri Pramod, Anil and Praveen all brothers had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.252721135 on the life of their brother Shri Rampal Singh on the ground that the insurer was not informed about his change in health condition of the life assured after submitting the personal statement regarding health for revival of the policy. He had suffered from Jaundice 15 days before the date of his death as per the certificate of Hospital treatment and certificate of medical attendant issued by Jeevan Hospital, New Delhi. The history of the disease as per these certificates was stated by the close relatives. Since no sufficient reasons were advanced by the complainants for not relying on certificates and no other evidence was adduced to controvert the evidence furnished by the insurer it was decided not to interfere with the decision of the insurer to pay paid up value + bonus amounting to Rs.36,150/- under the policy to the complainant.

Lucknow Ombudsman Centre
Case No. : L-661/21/001/06-07
Smt. Krishna Sharma
Vs
Life Insurance Corporation of India

Award dated 31.01.2007

Smt. Krishna Sharma had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy nos. 221922645, 221922646 & 221922997 on the life of her husband Shri Rajeev Sharma on the ground of material nondisclosure of illness of diabetes, CAD & CHF with which he was suffering, in the proposal form. The insurer in support of its contention submitted copy of hospital treatment and OPD case file from SGPGI, Lucknow which recorded in clear terms that the life assured had a history of diabetes for 17 years, hypertension 2 years and swelling of leg for 6 months. Since these diseases were not disclosed in the proposal form obviously with an intention to take an unfair advantage, the repudiation of the claim under the policies was therefore, held to be in order.

Lucknow Ombudsman Centre
Case No. : L-592/21/001/06-07
Shri Deena Nath Sharma
Vs
Life Insurance Corporation of India

Award dated 31.01.2007

Shri Deena Nath Sharma had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.281379056 on the life of his wife Smt. Ashrafa Devi on the ground that while reviving the policy on 11.03.03 she had not disclosed about the diseases of diabetes mellitus type-II,

hypothyroidism and renal diseases with which she was suffering from. In support of its decision the insurer submitted copy of certificate of hospital treatment and certificate of medical attendant from institute of Medical Sciences, BHU, Varanasi wherein it was stated that the deceased life assured was suffering from type-II diabetes mellitus for 7 – 8 years and hypothyroidism for 3 years and chronic kidney disease for 3 years. History was narrated by the patient herself and her attendant. There was no reason to disbelieve the recording by the attending doctor of Institute of Medical Sciences, in particular when no evidence to contradict this was submitted by the complainant. The revival on 11.03.03 declaring the life assured to be in sound health was therefore made in order to get an unfair advantage and there was, therefore, no reason to interfere with the repudiation letter dated 01.10.05 of the insurer.

Lucknow Ombudsman Centre

Case No. : L-463/21/001/06-07

Smt. Madhwi Devi

Vs

Life Insurance Corporation of India

Award dated 31.01.2007

Smt. Madhwi Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.240681887 on the life of her husband Shri Dilip Singh Mahar on the ground of nondisclosure of material facts relating to the details of leave taken on medical ground during last three years by him. The insurer submitted that he had taken 88 days leave on health grounds during last two years on five occasions and submitted copies of leave applications and medical certificates in support of its contentions. The complainant contended that since her husband was a driver in Uttaranchal Parivahan Nigam where it was not possible to get leave otherwise he had to take leave on medical grounds whereas he was not sick on these occasions but he had taken leave in order to take care of his ailing mother and for arranging his sister's marriage. It was, however, observed that the claimant's statement was not reliable as the mother of the life assured as per the proposal form had already expired in the year 1995 and she was also not able to tell as when her sister was married. I therefore, uphold the repudiation action taken by the insurer in repudiating the claim under the policy as all the ingredients of Section 45 of Insurance Act 1938 are fulfilled.

Lucknow Ombudsman Centre

Case No. : L-302/21/001/06-07

Smt. Madhwi Devi

Vs

Life Insurance Corporation of India

Award dated 31.01.2007

Smt. Madhwi Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy nos.240888523 & 241226749 on the life of her husband Shri Mohan Lal on the ground that there was material non disclosure of the illness of CRF/ESRD and pulmonary oedema by the deceased life assured in the proposal dated 29.05.04 under policy no.241226749 and in the personal statement regarding health dated 17.05.04 submitted for revival of policy no.240888523. The insurer in its support submitted certificates of medical attendant, certificate of hospital treatment from 16.04.04 to 26.04.04 and BHT from Susheela Tiwari Memorial Forest Hospital. The complainant also submitted a certificate from one Keshav Contractor to the effect that the deceased life assured was working

with him during the period 02.03.04 to 04.05.04. Pradhan, Gram Panchayat, Saal also stated that he was not suffering from any disease. But on a careful consideration it was held that these certificates on plain paper do not carry any evidentiary value. The Certificates produced by Insurer were more reliable.

Lucknow Ombudsman Centre

Case No. : L-600/21/001/06-07

Shri Pyare Lal

Vs

Life Insurance Corporation of India

Award dated 31.01.2007

Shri Pyare Lal had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.222137073 on the life of his wife Smt. Usha Devi on the ground of nondisclosure of material facts relating to her health namely that she had suffered from TB and had taken treatment at TB hospital Hardoi prior to the date of proposal. In support of its contention the insurer submitted copy of investigation report from its officer Shri A.K. Srivastava alongwith his affidavit confirming the registration no. X00029/14.07.03 at TB Hospital Hardoi where she was taking treatment alongwith statements from two residents of the locality. The complainant contended that she was medically examined at the time of acceptance of her proposal. However, since the medical examination does not absolve the proponent from disclosing all material fact relating to his / her health the repudiation of the claim under the policy which was within 2 years from the date the policy was effected was held to be in order.

Lucknow Ombudsman Centre

Case No. : L-506/21/001/06-07

Smt. Sohan Biri

Vs

Life Insurance Corporation of India

Award dated 31.01.2007

Smt. Sohan Biri had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.271029649 on the life of her husband Shri Ram Dass on the ground that there was nondisclosure of material facts regarding his illness of progressive weakness of all 4 limbs for last 2 years. The insurer in his support submitted copy of medical attendant certificate and certificate of hospital treatment from St. Stephen's Hospital, Delhi where the life assured was admitted on 23.06.05 and the history there was stated by the patient and his attendant. This was further corroborated by his consultation/ treatment undertaken earlier undertaken at Post Graduate Institute of Medical Sciences and Research, Chandigarh. The complainant on the other hand denied that the life assured was not in sound health at the time of revival and submitted an affidavit and also contended that he had undergone a medical examination before the revival was effected. However, since the contract of Insurance is a contract of utmost good faith and the life assured is under solemn obligation to disclose all material facts and the medical examination is not a substitute for this obligation, it was held that the nondisclosure of the illness of progressive weakness of the limbs for last 2 years had been established by the evidence submitted by the insurer and as such all the ingredients of Section 45 of Insurance Act 1938 were fulfilled and the repudiation of the claim was in order.

Lucknow Ombudsman Centre

Case No. : L-672/21/001/06-07
Smt. Vijay Laxmi
Vs
Life Insurance Corporation of India

Award dated 12.02.2007

Smt. Vijay Laxmi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.214715916 on the life of her husband Shri Arjun Prasad on the ground that he had suppressed his illness of diabetes and hypertension with which he was suffering prior to the date of proposal and had been taking treatment also. The insurer in support of its contention submitted copy of death certificate which stated the cause of death amongst others as 'high sugar, Blood pressure' and further a letter from her son in his handwriting confirming that his father, the deceased life assured was suffering from diabetes and hypertension for last few years and taking treatment also. Although he retraced from his having admitted the above and stated that it was at the instance of the investigating officer but it appears to be an after thought. The insurer, although, could not submit any direct evidence of illness of the life assured but in the circumstances of the case, it was decided not to interfere with the decision of the insurer repudiating the claim under the policy no. 214715916.

Lucknow Ombudsman Centre
Case No. : L-553/21/001/06-07
Smt. Madhulika Srivastava
Vs
Life Insurance Corporation of India

Award dated 14.02.2007

Smt. Madhulika Srivastava had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.231753819 on the life of her husband Shri Anil Kumar Srivastava on the ground of suppression of material facts regarding his illness (Ischaemic Heart Disease & Hypertension). The Policy had lapsed on account of nonpayment of premium due yearly July, 1998 and again on July, 2001. It was revived on 02.02.99 and again on 09.07.02 on the strength of personal statement regarding health made by the life assured on 02.02.99 and 03.07.02. On both the occasions the life assured had not disclosed any thing about his illness and declared himself to be in sound health. The insurer, however, submitted the statement of leave from his employer alongwith the medical certificates which established that the deceased was on sick leave from 04.06.98 to 20.06.98 for Ischaemic Heart Disease, unstable Angina & mild Hypertension. He had again suffered from the same disease and had to be on leave from 16.08.99 to 20.08.99 and 21.10.99 to 29.10.99. Since the disease had its onset prior to the date of execution of personal statement regarding health dated 02.02.99 and the diseases were not disclosed in the personal statement regarding health, the repudiation of the claim on the ground of material misstatement regarding health was held to be in order. The complainant nominee was, however, awarded payment of paid up value acquired after paying premium up to July 1997.

Lucknow Ombudsman Centre
Case No. : L-635/21/001/06-07
Smt. Shakuntala Devi
Vs
Life Insurance Corporation of India

Award dated 31.02.2007

Smt. Shakuntala Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by LIC of India under policy no.283869308 on the life of her son Shri Anand Kumar Soni on the ground that since death had taken place within one year from the date of commencement of risk under the policy, the suicide clause was operative and hence nothing was payable. The insurer did not lead any direct evidence to establish suicide but from the circumstances contended that the death of the life assured was nothing but a case of suicide. It was no doubt established that the death of life assured had been caused by taking some poisonous substance. No FIR was lodged. The punchnama was done and in the opinion of panches he might have consumed some poisonous substance by mistake as he was keeping poisonous substances with him for cleaning/washing ornaments. However, the complainant's version was that he was engaged at a gold smith shop and doing polishing (fNykbZ dk dke) of ornaments and that somebody else would have served him some poisonous substance causing his death. However, she could not explain satisfactorily as why no FIR was lodged if she had such a suspicion. Taking an overall view and in the facts and circumstances of the case and that no contrary evidence was produced by the complainant, the repudiation of the claim was held to be in order.

Mumbai Ombudsman Centre
Case No. : LI-221 of 2005-2006
Smt Anuradha Ashok Desai
V/s.

Life Insurance Corporation of India

Award Dated : 04.10.2006

Shri Ashok D Desai had proposed for a Money Back Children's Assurance policy without profits for his son Mast. Akash Ashok Desai from Life Insurance Corporation of India for a Sum Assured of Rs. 50,000/- with Term Rider Benefit and Premium Waiver Benefit. The date of proposal under the policy was 23.3.2001 and On 21.02.2004 Shri Desai was assaulted while he was on his official duty which caused him serious head injuries and he finally succumbed on 24.02.2004. The cause of death was Head injury with Fracture frontal bone with frontal contusion. When Smt Anuradha Ashok Desai wife of Shri Ashok Desai preferred a claim for premium waiver benefit and Term Rider benefit under the policy, Life Insurance Corporation of India Goa Divisional Office rejected the benefit stating that Shri Ashok Desai had withheld material information regarding his health at the time of effecting the assurance. They held indisputable proof to show that Life Assured was suffering from Hypertension, Urinary Calculus, acute gastritis, ureteric stone, growth in urinary bladder, post bely cystitis and urinary tract infection for which he had consulted a medical men and had taken treatment in a hospital and also that he was on medical leave on various occasions for the said ailments. These facts were not disclosed at the time of proposing for the above said policy instead Shri Desai had given false answers as above. Hence LIC rejected the claim for Premium Waiver Benefit and Term Rider benefit under the policy. Not satisfied with the decision of the Company, Smt Anuradha A Desai represented to the Western Zonal Office of the Corporation which was also turned down. Hence being aggrieved she approached the Office of the Insurance Ombudsman seeking intervention of the Ombudsman for justice. The records were perused and parties to the dispute were called for hearing

It is evident from the medical certificates on record which were submitted by the Life Assured to his employer for securing leave on health grounds that he had been

suffering from Hypertension, Urinary Calculus, Acute Gastritis, Ureteric Stone, Growth in urinary bladder, Urinary Tract Infection and Cystitis for which he had consulted medical men and took treatment for the same and remained absent from his place of work on medical grounds before he proposed for assurance. The additional benefits viz. Term Rider Benefit and Premium Waiver Benefit were granted on the basis of information given by him at proposal stage in the proposal form and other documents. It would appear from the documents on record that the statements made by the life assured were inaccurate, false and he deliberately suppressed the facts which it was material to disclose. Had he disclosed the correct information, additional benefits would not have been granted under the policy or policy would have been issued with different terms. It is pertinent to note that immediately after the policy was taken Shri Ashok Desai suffered from Carcinoma of Bladder and was operated for the same and remained absent from his work place on this ground on many occasions which clearly indicates the positive existence of the disease before the policy was taken. The contention of the Complainant that the cause of death was head injury due to assault and has no nexus with the illnesses suffered by the life assured before the policy was taken is not acceptable because it is proved from the documents on record that the life assured took the policy suppressing the material facts regarding his health status and when the very basis of the contract was on suppressed material facts, the contract became void from inception. Based on the facts and the documents produced, this Forum does not find any valid reason to interfere with the decision of LIC. However, the role of the Agent who introduced the business should be examined and appropriate action should be taken.

Mumbai Ombudsman Centre
Case No. : LI-147 of 2006-2007
Shri Rohidas R Sanvordekar
V/s.

Life Insurance Corporation of India

Award Dated : 04.10.2006

Miss. Rakhi R Naik Sanvordekar had taken a Life Insurance policy from Life Insurance Corporation of India, Vasco Branch- 91E,Goa Divisional Office through proposal dated 23.03.2001 for a Sum Assured of Rs.40,000/- . Miss Rakhi Naik Sanvordekar (Smt Shruti Shesh Shirodkar) expired on 14.04.2005 at KLE Society's Hospital and MRC, Belgaum, Karnataka Department of Clinical Immunology and Rheumatology due to Acute Respiratory Distress Syndrome with FTC SLE with Pulmonary Tuberculosis. When the claim for the policy moneys was preferred to Life Insurance Corporation of India by her father Shri Rohidas R Sanvordekar who was the nominee under the policy it was held by Goa Divisional Office that they had indisputable evidence to show that the deceased life assured was suffering from Systemic Lupus Erythematosus before she proposed for the policy which was not disclosed while filling the proposal form. Aggrieved by this decision, Shri Sanvordekar approached this Forum for redressal of his grievance. After perusal of the records parties to the dispute were called for hearing on 27.9.2006 at Ombudsman's Camp at Goa. It is evident from the claim form B and Claim Form B1 issued by Dr. Arun Shrivastava of KLE Society's Hospital and the discharge summaries of the same hospital on record that the deceased life assured had been suffering from Systemic Lupus Erythematosus since 1993. She did not disclose this material information in her proposal dated 23-3-2001, instead, she gave deliberate incorrect statements. The proposal was on non-medical basis and no medical examination was conducted and as such LIC solely relied on the information given in the proposal form and the health declaration given by the insured and on the

basis of which proposal was completed. As per the declaration, the insured was duty bound to disclose all the information correctly and truthfully at the time of proposing for assurance. However, she did not disclose her past illnesses and the treatment taken by her in the proposal form deliberately which was material for underwriting her proposal. In view of this legal position and the convincing evidence produced by LIC, the decision of L.I.C to repudiate the death claim on the ground that the deceased life assured made wrong statements and withheld correct information regarding the health at the time of effecting insurance cannot be faulted. In the circumstances, this forum finds no valid reason to interfere with the decision of L.I.C to repudiate the claim for the sum assured under the policy.

**Mumbai Ombudsman Centre
Case No. : LI-217 of 2005-2006
Smt.Roshan Ramakant Naik
V/s.**

Life Insurance Corporation of India

Award Dated : 05.10.2006

Shri Ramakant Fondu Naik had taken three Life Insurance policies from Life Insurance Corporation of India, Goa Divisional Office. One policy lapsed due to non-payment of premium in November, 2000 which was revived on 22.10.2001 on the basis of the declaration of Good Health dated 22.10.2001. Shri Ramakant Fondu Naik unfortunately expired on 4th August, 2004, due to Haemorrhagic Pericardial Effusion c Cardiac Tamponade (Primary Cause) and Diabetic Nephropathy (Secondary Cause). When Smt Roshan Ramakant Naik, wife and nominee under the policies, preferred claim under the above said policies to Life Insurance Corporation of India, LIC of India, Goa D.O. repudiated the liability stating that the deceased life assured had withheld correct information regarding his health at the time of effecting the assurance/at the time of revival, and hence, in terms of the policy contract and declaration in the proposal form and personal statement, they were not liable for any payment under the policies. Not satisfied with this decision, the claimant, Smt Roshan Ramakant Naik made a representation to the Zonal Manager of Western Zone of LIC of India, but the Zonal Office Claims Review Committee also upheld the decision taken by the Divisional Office. Aggrieved by their decision, Smt Roshan Ramakant Naik approached this Forum for justice.

After perusal of the records parties to the dispute were called for hearing. The records submitted to this Forum pertaining to the case have been scrutinised. It is evident from the records that the deceased life assured had been suffering from Diabetes Mellitus and Hypertension when he proposed for the new policies and also revival of his lapsed policy. The life assured died due to Diabetic Nephropathy with Chronic Renal Failure. The Life Assured did not disclose these facts in the proposals and also in the Declaration of Good Health submitted by him for revival of his policy. In view if this legal position, LIC cannot be faulted for repudiating the claim of Smt. Roshan Ramakant Naik. In the circumstances, this Forum finds no justifiable reason to interfere with the decision of LIC to repudiate the claims.

**Mumbai Ombudsman Centre
Case No. : LI-025 of 2006-2007
Smt. Victorine Fernandes
V/s**

Life Insurance Corporation of India

Award Dated : 6.11.2006

Shri Floyd Fernandes had proposed for a Money Back policy from Mumbai D.O.IV, Life Insurance Corporation of India, bearing policy no. 905037940. The date of proposal under the policy was 15.02.2004 and the date of commencement of the policy was 19.02.2004. Shri Fernandes expired on 14.03.2005 due to Cardio Respiratory Arrest. When the claim was preferred by Smt Victorine Fernandes wife of LA, Life Insurance Corporation of India rejected the claim stating that Shri Fernandes had withheld material information regarding his health at the time of effecting the assurance.

LIC took the view that all the statements were false and stated that they held indisputable proof to show that since about 2 years back before he proposed for the policy he had been suffering from Chronic Bronchitis and was a chronic smoker and he was also suffering from COPD since January,2003. These facts were not disclosed at the time of proposal, instead he gave false answers as stated above. It is therefore, evident that the deceased life assured had made deliberate mis-statements and withheld material information from LIC regarding his health at the time of effecting the assurance and therefore in terms of the policy contract and the declarations contained in the forms of proposal for Assurance, LIC repudiated the claim.

As per Medical Attendant's Certificate issued by Dr. Ashok Moses, the primary cause of death was Cardio-Respiratory Arrest. The Doctor attended the deceased after he expired. He has also mentioned that the other disease or illness preceded/coexisted with that which immediately caused his death was COPD which was first observed in January, 2003 and was treated by him. The doctor has also stated that he was his usual medical attendant since 2-3 years. Based on the information given in Claim Form B and the Certificate dated 9.9.05 issued by Dr. Ashok Moses, it is evident that deceased life assured was suffering from Chronic Obstructive Pulmonary Disease and Chronic Bronchitis for which he took treatment from Dr. Ashok Moses . Dr. Moses had also stated that the Life Assured was a chronic smoker. As per the declaration, the insured was duty bound to disclose all the information correctly and truthfully at the time of proposing for assurance. In view of the legal position, the decision of L.I.C to repudiate the death claim on the ground that the deceased life assured made wrong statements and withheld correct information regarding the health at the time of effecting insurance cannot be faulted.

Mumbai Ombudsman Centre
Case No. :LI-136 of 2006-2007
Smt Geeta V Shetty
V/s.

Life Insurance Corporation of India

Award Dated : 09.11.2006

Shri Vijay Vasu Shetty had taken a Life Insurance policy bearing no.902027528 from Life Insurance Corporation of India, Branch 927 of Mumbai Divisional Office-I through proposal dated 08.05.2002 for a Sum Assured of Rs.1,00,000/- under Plan and Term (75-20. Unfortunately Shri Vijay Shetty expired on 10.03.2005 due to Cardio Respiratory Arrest being the primary cause and the secondary cause being Septicaemia with chronic bronchitis and Asthma. When Smt Geeta Shetty, wife preferred a claim LIC repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance. After perusal of all the records submitted to this Forum parties to the dispute were called for hearing. LIC repudiated the claim solely relying on the information given by Dr. Pradeep Pawar in Claim Form B and Certificate of

Consultation/Treatment as proof of past illnesses i.e. Bronchitis & Asthma allegedly suffered by the life assured since 25 years. It is to be noted that as per the information given by the above doctor, he had been practicing in that area since 5 years and he was first consulted by the deceased on 2.2.2002. Though the doctor has mentioned that past history was given by him as reported by the patient himself, LIC has not brought on record any additional material to prove the history of Bronchitis and Asthma, prior to the date of proposal by way of treatment particulars/ pathological reports/doctor's prescription/hospitalisation record for the said illnesses or even the sick leaves from the employer. When two statements are obtained from the same doctor regarding the life assured, one in favour and one against, the one which is prejudicial to the interest of the person cannot be relied upon, unless there are supportive evidences. Hence the history of 25 years stated by Dr. Pawar cannot be taken cognizance of. As the statutory period of two years had clearly expired when LIC repudiated the claim, Section 45 of the Insurance Act, 1938 applies in the present case and policy cannot be called in question only on the ground of misstatement.

In view of the above analysis, I find that the repudiation of the claim by LIC of India is not sustainable on the basis of the documents produced before this Forum by them in support of their decision to repudiate the claim under policy no. 902027528 for non-disclosure of material facts and hence the said decision of LIC is sustainable.

Mumbai Ombudsman Centre
Case No. :LI-141 of 2006-2007
Smt Meena S Pangare
V/s.

Life Insurance Corporation of India

Award Dated : 15.11.2006

Shri Shantaram Gangaram Pangare had taken a Life Insurance policy through proposal dated 02.02.2005 for a Sum Assured of Rs.50,000/-. Shri Shantaram G Pangare expired on 03.10.2005 due to Cardio Respiratory Arrest. When Smt Meena Pangare, wife and nominee under the policy, preferred a claim under the above said policy to Life Insurance Corporation of India, Mumbai Divisional Office-I repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance. Aggrieved by this decision of LIC even after representation, Smt Meena Pangare approached this Forum seeking intervention of the Ombudsman in the matter of settlement of her claim. After perusal of all the records submitted to this Forum, parties to the dispute were called for hearing. On scrutiny of the records it is noted that the diagnosis arrived at the hospital was Cor Pulmonale in a k/c/o right destroyed lung with RVH with LRTI which is corroborated by the Discharge Card of the hospital on record. As per the Medical Attendants Certificate (Claim Form B) dated 9th February, 2006 completed by Dr. Rajesh M. Binyala, the cause of death was Cardio-respiratory arrest and the patient had been suffering from the last illness since one year, date of first consultation being 5.1.2005. The doctor in a separate certificate mentioned that the life assured had been suffering from COPD (Chronic Obstructive Pulmonary Disease) since one year." It is also established from the claim form B and BI completed by Dr. Rajesh M. Binyala that he was treated by him for above ailments before he proposed for assurance. In the instant case, the life assured did not disclose the material facts regarding his past illness and hospitalisation for the same, which were especially within his personal knowledge and it deprived LIC of asking leading questions to probe into the matter. In view of this, L.I.C cannot be faulted for repudiating the death claim for deliberate misstatement and suppression of

material facts by the life assured. Hence the decision of L.I.C does not warrant any interference from this forum.

**Mumbai Ombudsman Centre
Case No. : LI-151 of 2006-2007**

Shri Kevalchand R Jain

V/s.

Life Insurance Corporation of India

Award Dated : 17.11.2006

Shri Sanjay Kewalchand Jain had taken two Life Insurance policies bearing nos. 881094565 and 881094566 from Life Insurance Corporation of India through proposal dated 28.09.2002 for Sum Assured of Rs.3,00,000/- and Rs. 1,00,000 under Plan and Term (149-25) and (105-30) (25) respectively. The commencement of the policies were from 01.10.2002. Unfortunately Shri Sanjay K Jain expired on 28.09.2003 due to Terminal Cardio Respiratory Arrest being the primary cause and the secondary cause being Bilateral extensive Koch's . When Shri Kevalchand Jain, father and nominee under the policy, preferred a claim under the above said policies to Life Insurance Corporation of India, Mumbai Divisional Office-II, Life Insurance Corporation of India repudiated both the claim vide letters dated 31.03.2004 stating that the deceased life assured had withheld material information regarding his health and that the Life Assured was admitted to Radhibai Watumull Global Hospital on 29.8.2002 i.e. before the date of proposal and was diagnosed to have HIV positive for which he consulted a medical man and had taken treatment from him. This fact was not disclosed at the time of taking the policy. Hence based on this LIC repudiated the claim. Not satisfied by the said decision, Shri Kevalchand Jain appealed to the Zonal Manager and aggrieved Shri Kevalchand Jain approached this Forum for redressal of his grievance. After scrutinizing the records produced to this Forum, parties to the dispute were called for hearing. The entire records pertaining to the case have been gone through. It is evident from the Radhibhai Watumull Global Hospital Case Papers on record that the deceased Life Assured was admitted to that hospital on 29.08.2002 and discharged on 24.09.2002 and was diagnosed HIV+ and was treated for the same. The fact that during his hospitalisation and immediately before that he had undergone various pathological tests and was in the hospital for 27 days continuously points to the serious nature of the illness he had been suffering. From the above analysis, it is established beyond doubt that the deceased life assured suppressed material information and made misstatements regarding his health status at the time of proposal and also suppressed the material information regarding his health status at time of proposing for assurance. Had he disclosed these facts to the Insurer, they would have probed further and called for relevant special reports before taking appropriate decision in acceptance of the risk.

In the circumstances, this forum finds no valid reason to interfere with the decision of LIC of India to repudiate the claim for the sum assured under the policy.

**Mumbai Ombudsman Centre
Case No. : LI-192 of 2006-2007**

Shri Kanaiya Ghosh

V/s.

Life Insurance Corporation of India

Award Dated : 23.11.2006

Smt Shantona Kanaiya Ghosh had taken a Life Insurance policy bearing no. 881033788 from Life Insurance Corporation of India through proposal dated 22.02.2002 for a Sum Assured of Rs. 1,00,000 under Plan and Term (75-20). The commencement of the policy was from 1.01.2002 under half-yearly mode of payment. However the said policy lapsed due to non payment of premium due in July, 2003 & January, 2004. The policy was revived by LIC on 16.02.2004. Smt Shantona K Ghosh expired on 10.09.2004 due to Chronic Renal Failure and when Shri Kanaiya Ghosh, husband and nominee under the policy, preferred a claim under the above said policy to Life Insurance Corporation of India, Mumbai D.O.II of Life Insurance Corporation of India repudiated the claim vide letter dated 26.11.2005 stating that the deceased life assured had withheld material information regarding her health in the Personal Statement. After scrutinizing the records produced to this Forum, parties to the dispute were called for hearing. It is evident from the Certificate of Treatment issued by Dr. Vaishali R Sankholkar that the deceased life assured was suffering from recurrent attacks of urinary tract infection since the last eight to nine months prior to the date of her death and had consulted the doctor in December, 2003. It is established that she was under treatment for the same at the time of reviving her lapsed policy. The analysis of the entire records leads to the conclusion that the insured had experienced frequent complications of urinary tract infection which were giving enough signals to contact medical practitioner for treatment. Riddhi Diagnostic Centre's receipt indicates that she was indoor patient in Ward 4 of KEM Hospital and was referred by the hospital for HCV Elisa test on 9-3-2004. As the Complainant has not produced the details of the first hospitalisation in KEM hospital, it is difficult to ascertain the exact date of admission and the history of the illness reported to the hospital. But, the date of reference for HCV test by Ward 4 of KEM Hospital was 9-3-2004 which is close to the date of revival of the policy on 13-2-2004. From the above analysis, it would be reasonable to conclude that she had health problems at the time of revival of the policy and it was known to her. All these were material facts, which should have been disclosed at the time of revival of the policy. Had she disclosed the correct information to the Insurer at the revival stage, LIC of India would have considered the revival with different criteria on the basis of the special medical reports, which would have been called for. The information suppressed in this case was material since the diseases connected with organs such as Kidney, Heart and Brain affect the longevity of a person.

In the facts and circumstances of the case, decision of LIC to treat the revival of the policy as null and void is sustainable. Hence this Forum has no justifiable reason to interfere with the decision of LIC.

**Mumbai Ombudsman Centre
Case No. : LI-246 of 2006-2007**

Smt Samaradevi Patel

V/s.

Life Insurance Corporation of India

Award Dated : 28.11.2006

Shri Ram Lakhan R Patel had taken a Life Insurance policy bearing no. 892632594 from Life Insurance Corporation of India, Branch 891 of Mumbai Divisional Office-III through proposal dated 11.12.2003 for a Sum Assured of Rs. 1,00,000/-. The commencement of the policy was from 21.08.2003. Unfortunately, Shri Ram Lakhan Patel expired on 28.09.2005 due to Hypotension due to chronic renal failure in case of Diabetes Mellitus and Hypertension. When Smt Samaradevi Patel, wife and nominee under the policy, preferred a claim under the above said policy to Life Insurance Corporation of India, Mumbai Divisional Office-III of Life Insurance Corporation of India repudiated the claim

stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance. Not satisfied by the said decision Smt Samradevi Patel appealed to the Zonal Manager aggrieved at their decision, Smt Samradevi Patel approached this Forum for redressal of her grievance. After perusal of all the records submitted to this Forum parties to the dispute were called for hearing .It is evident from the above case papers that the deceased Life Assured, Shri Patel, was suffering from Hypertension since three years before his death and the Sonography Report dated 27.8.2003 from Sadguru Daskishan Saibaba Mandal Charitable Polyclinic revealed that there was stone in his left kidney. The fact that the had undergone various pathological tests on 23.8.03 and Ultrasonography on 27.8.2003 as is evident from the history noted in the KEM hospital case papers which were not disclosed by Shri Patel at the time of filling up his proposal for insurance. The analysis of the entire records leads to the conclusion that Shri Patel had the knowledge that he was suffering from some health problem for which he underwent sonography and some pathological tests. He suppressed this material information in his proposal form and gave deliberate incorrect statements. Going by the primary cause of death, i.e., Hypertension with renal calculi, both the diseases were pre-existing, i.e., they were present even before the proposal date as is evident from the KEM hospital case papers. This clearly indicates that the deceased life assured, with malafide intention, suppressed his medical history thereby denying LIC an opportunity to take a proper underwriting decision. In view of this legal position, LIC cannot be put to fault for repudiating the claim on the life of Late Shri Ramlakhan Patel. In the circumstances, this Forum has no justifiable reason to interfere with the decision of LIC to repudiate the claim.

Mumbai Ombudsman Centre
Case No. : LI-150 of 2006-2007
Smt Dhan Razia Devi
V/s.

Life Insurance Corporation of India

Award Dated : 29.11.2006

Shri Ram Prasad Gupta had taken a Life Insurance policy bearing no. 192533832 from Life Insurance Corporation of India, Branch 159 of Jaipur Divisional Office through proposal dated 28.03.2004 for Sum Assured of Rs.51,000/-. The commencement of the policy was 28.04.2004. Shri Ram Prasad Gupta expired on 01.06.2004 due to Chronic liver disease with Portal hypertension. When Smt Dhan Razia Devi, wife and nominee under the policy, preferred a claim under the above said policy to Life Insurance Corporation of India, S.S.S Divisional Office of Life Insurance Corporation of India repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance Not satisfied by the said decision, Smt Dhan Razia Devi appealed to the Zonal Manager and being aggrieved at their decision, Smt Dhan Razia Devi approached this Forum for redressal of her grievance. After perusal of the records parties to the dispute were called for hearing. On an analysis of the entire records, it is observed that the Life Assured had two policies and LIC had settled the claim under policy no.192443156 but for the policy No. 192533832 which is under dispute at this Forum it is found that LIC had repudiated the claim based on the Medical Attendant's Certificate i.e. Form 'B' and the certificate of treatment issued by Dr. P.K.Sanma of Guwhati Medical College. In the claim Form B (Medical Attendant's Certificate) dated 11.6.2005, Dr. P.K.Sanma has mentioned the Primary cause of death as Chronic liver disease with Portal Hypertension and for the question how long had he been suffering from this disease before his death he replied "for few months exact time not noted". He has also stated that there was swelling of the

body with altered behavior for few months. Regarding any reason to suspect the disease was caused or aggravated by his intemperate habits, the doctor has mentioned that it 'may be' and there was no definite proof regarding the history of alcoholism. As per the Medical Case sheet if 165 MH C/o 99 APO Hospital there is a noting made on 18.5.04 that Shri Ram Prasad was a case of Ascites for one month and an old history of chronic alcohol intake. The proposal is dated 28.3.04 and was accepted by LIC only on 28.04.04 on receipt of first premium. The notings made in the hospital case sheet on 18.5.04 clearly proves that life assured was not in good health and was suffering from ascites before the proposal was accepted by LIC. This information was neither disclosed in his proposal form dated 28.3.2004 nor thereafter before acceptance of the proposal. He had furthermore not declared in the proposal form that he used to consume alcohol. Had he disclosed these material facts at the time of proposing for assurance, LIC would have called for relevant reports and taken appropriate decision before accepting the risk. This opportunity was not given to LIC.

Thus rejection of death claim by LIC for the sum assured under the policy for deliberate misstatement and withholding material information at the time of proposing for assurance is held sustainable. Hence, this Forum finds no justifiable reason to interfere with the decision of LIC of India.

Mumbai Ombudsman Centre
Case No. : LI-137 of 2006-2007
Smt Jayshree N Dhadwad
V/s.

Life Insurance Corporation of India

Award Dated : 04.12.2006

Shri Nandkumar Lumaji Dhadwad had taken a Life Insurance policy bearing no.908841608 from Life Insurance Corporation of India, Branch 902 of Mumbai Divisional Office through proposal dated 05.01.2005 for a Sum Assured of Rs.2,00,000/-. The commencement of the policy was from 08.01.2005. Unfortunately, Shri Nandkumar L Dhadwad expired on 24.06.2005 due to Abdominal Koch's and Retroviral disease. When Smt Jayshree N Dhadwad, wife, preferred a claim under the above said policy to Life Insurance Corporation of India, SSS Divisional Office, Mumbai of Life Insurance Corporation of India repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance. Not satisfied by the said decision Smt Jayshree Dhadwad appealed to the Zonal Manager and aggrieved by their decision, Smt Jayshree Dhadwad approached this Forum for redressal of her grievance. After perusal of all the records submitted to this Forum parties to the dispute were called for hearing. The entire documents on records and respective submission of the parties have been gone through. It is also evident from the certificate by the employer and the medical certificates submitted by the life assured for securing leave that he consulted doctors and remained absent on medical grounds on four occasions before he submitted the proposal. The history recorded in Nair hospital as recorded by the doctor reveals that he was a chronic alcoholic and smoker. Since the proposal was made under non-medical scheme, LIC solely relied on the information given by the life proposed in the proposal form and declaration dated 05.01.2005 for considering the proposal. He did not disclose the above information in the proposal form which were material instead replied the relevant questions negatively. Had he disclosed the true and correct information to the Insurer, they would have called for medical reports and relevant questionnaire and probed further and taken appropriate underwriting decision accordingly.

Thus rejection of death claim by LIC of India for deliberate misstatement and withholding material information regarding health and habits of the life assured at the time of proposing for assurance under the above policy is held sustainable. Hence, this Forum finds no justifiable reason to interfere with the decision of LIC of India.

Mumbai Ombudsman Centre
Case No. : LI-036 of 2006-2007
Smt Sangita Manish Ruia
V/s.

HDFC Standard Life Insurance Company Ltd.

Award Dated : 05.12.2006

Shri Manish Ruia had taken a HDFC Children's Double Benefit Plan bearing no.000000344373 from HDFC Standard Life Insurance Company Ltd through proposal dated 23.03.2004 for a Sum Assured of Rs.4,00,000/-Unfortunately Shri Manish Ruia expired on 03.01.2006 due to Cardio Respiratory Arrest, primary cause being Glioblastoma multi forme. When Smt Sangita M Ruia, wife and Appointee under the policy, preferred a claim under the above said policy to HDFC Standard Life Insurance Company Ltd, they repudiated the claim stating that the deceased life assured had withheld the information of the diagnosis of Abdominal Koch's in February, 2004 and about the Anti Koch's treatment he received. Not satisfied by the said decision Smt Sangita M Ruia appealed to the Grievance committee for reconsideration of the decision, however the Company reiterated their stand of repudiation. Aggrieved by this decision, Smt Sangita M Ruia approached this Forum seeking intervention of the Ombudsman in the matter of settlement of her claim.After perusal of all the records submitted to this Forum, parties to the dispute were called for hearing. The relevant records pertaining to the case have been perused and it is evident from the case papers that the deceased Life Assured, Shri Ruia, was suffering from Abdominal Koch's disease since February, 2004. i.e. before the date of policy and that he was taking Anti koch's treatment right from February, 2004, was not disclosed by the life assured in his proposal dated March 23, 2004. Although the cause of death is "Glioblastoma Multiforme, left temporal"(which means a malignant tumour in the brain), which has no known nexus with abdominal koch's disease, as contended by the Complainant, yet, had Shri Ruia disclosed the correct information about his past/present history of illness as also the treatment being taken by him to the Insurer at the proposal stage, HDFC Standard Life Insurance Company would have postponed the proposal and would have reconsidered issuing the policy only after he was completely cured of the said disease after calling for relevant medical reports as per their underwriting norms. Smt. Sangita Ruia's contention that her husband was cured of the abdominal koch's disease after taking treatment for four months does not hold ground as the hospital papers and discharge summary (which was issued in early January, 2005) reveal that he was on treatment for the same since ten months. Even the prescriptions of Dr. Rohini Choughale submitted by the Complainant subsequently proves that the deceased life assured was on treatment for T.B. till 2.3.2005. As regards the nexus between the cause of death and the illness suffered prior to taking policy, the same need not be established as it would be sufficient to prove the materiality of the suppressed information, which actually affected the assessment of the risk, by the Insurer. In this case from the above facts and the related documents produced by the Respondent it is clear that the deceased life assured was aware of the abdominal Koch's disease he was suffering and he deliberately did not disclose the fact in the proposal form which was material to assess the risk by the Insurer.

**Mumbai Ombudsman Centre
Case No. : LI-030 of 2006-2007
Smt Yogita Y Singasane
V/s.**

Life Insurance Corporation of India

Award Dated : 07.12.2006

Shri Yashwant Maniram Singasane had taken a policy from Life Insurance Corporation of India, Branch 936 of Thane Divisional Office through proposal dated 08.02.2004 for a Sum Assured of Rs.30,000/- by making a single premium payment of Rs.25,765. Shri Yashwant Maniram Singasane expired on 11.02.2005 due to Terminal Cardio respiratory failure due to septicemia in a case of arterial and Venous gangrene in case of post. op coronary artery by pass graft with cellulites. When Smt Yogita Y Singasane, wife preferred a claim under the above said policy, Life Insurance Corporation of India repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance. Not satisfied by the said decision Smt Yogita Singasane approached this Forum. After perusal of all the records submitted to this Forum, parties to the dispute were called for hearing. The records pertaining to the case have been analysed. It is apparent from the medical records that Shri Yashwant Singasane had undergone Angiography and CABG on 18.9.03 and 23.9.03 respectively and this information which was vital was not disclosed by Shri Singasane at the time of taking the policy. Had he disclosed these facts at the time of proposal, LIC would have called for relevant special reports and taken appropriate underwriting decision. Hence LIC's repudiation of the claim on the ground of withholding material information regarding his health is legally justified.

However, the complaint of Smt Yogita Singasane has to be examined in the light of the circular ref: Mktg/CRM/550/23 dated 13.12.2005 issued by Central Office of LIC. As per this circular, where it is established that if there was no intention of the deceased to deliberately misrepresent/suppress facts, an ex-gratia payment may be considered on the basis of merit of the case, maximum to the extent of 90% of the single premium. It is to be noted that after the claim was repudiated by the Divisional Office the claimant, Smt Yogita Singasane had represented her case to the Zonal Claims Review Committee and it appears that the Zonal Claims Review committee in April, 2006 before upholding the decision did not take into consideration the said circular. In the instant case, the sum assured under the policy was Rs. 30,000 and the life assured had paid premium of Rs. 25,765. On the face of it, it appears that the life assured took the policy for investment purpose rather than risk cover and as such there is no reason to presume that he deliberately misrepresented or suppressed the facts intentionally. The deceased did not propose for high risk policy or high Sum Assured looking to his health conditions. By pass surgery scars are apparently visible on the chest and it was not pointed out in the medical report and Agents report. Looking to these facts, denial of Ex-gratia is not justified.

The claim of Smt Yogita Y Singasane under policy no.923046312 on the life of late Shri Yashwant Maniram Singasane is not tenable. However, in view of delay in considering ex-gratia payment, LIC is directed to pay an ex-gratia payment of 95% of the single premium collected by them.

**Mumbai Ombudsman Centre
Case No. : LI-157 of 2006-2007
Smt Rupali Shivaji Pol
V/s.**

Life Insurance Corporation of India

Award Dated : 11.12.2006

Shri Shivaji Vishnu Pol had taken a Life Insurance policy bearing no. 907499727 from Life Insurance Corporation of India, Branch 927 through proposal dated 30.07.2003 for Sum Assured of Rs.75,000/ under Plan and Term (14-15). The commencement of the policy was 20.08.2003. Shri Shivaji V Pol expired on 29.12.2004. When Smt Rupali S Pol wife and nominee under the policy, preferred a claim under the above said policy to Life Insurance Corporation of India, S.S.S Divisional Office of LIC repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance and in the proposal form dated 30.7.2003 They said they had indisputable proof to show that the Life Assured was suffering from Juvenile diabetes since age 12-13 years and was on insulin. He was also a case of chronic pancreatitis. These facts were not disclosed at the time of taking the policy. Hence based on this LIC repudiated the claim. Not satisfied by the said decision, Smt Rupali S Pol approached this Forum for redressal of her grievance. After perusal of the records parties to the dispute were called for hearing. The relevant records pertaining to the case have been perused. It is evident from the history recorded in the case papers of KEM hospital and Jaslok hospital that Shri Shivaji Pol was javelin diabetic since age 12/13 years. It can be established that the above facts were not disclosed in his proposal dated 30th July, 2003. The analysis of the records leads to the conclusion that the deceased life assured had fraudulently suppressed material information in his proposal form; instead, he gave deliberate incorrect statements. Since he was taking insulin for diabetes, he was very much aware of it. The cause of death, viz., "Carcinoma, Head of Pancreas", has a direct nexus with the suppressed material information. "Chronic Pancreatitis may lead to pancreatic failure causing malabsorption and diabetes mellitus. The pancreas often becomes calcified producing visible shadowing on X rays". The above is extracted from the Oxford's Concise Medical Dictionary, Indian Edition. Had Shri Pol disclosed the correct information about his past/present history of illness as also the treatment being taken by him, to the Insurer at the proposal stage, the Life Insurance Corporation of India would have called for various special reports before underwriting the proposal and taken appropriate decision in acceptance of the proposal.

In the circumstances, this Forum has no justifiable reason to interfere with the decision of LIC of India to repudiate the claim on the ground of non-disclosure of material information.

Mumbai Ombudsman Centre
Case No. : LI-232 of 2006-2007
Smt Jayalaxmi
V/s.

Tata AIG Life Insurance Company Ltd.

Award Dated : 28.12.2006

Shri Alva Ramayya Santha had taken a Term Assurance Policy for 20 years with return of premium plan under policy No.C001840670 from Tata AIG Life Insurance Company limited for a Sum Assured of Rs. 2,00,000/-. The policy also covered an additional Accidental death benefit of Rs. 2,00,000/-. The date of proposal for insurance was 26.10.2005. Shri Alva Ramayya Santha unfortunately expired on 18.1.2006 due to Terminal Cardiac Arrest in a case of Orbital Mucor-mycosis with Diabetes Mellitus with stroke. When Smt Jayalaxmi preferred a claim under the said policy, the Company repudiated the claim stating that Shri Ramayya Santha Alva was on insulin therapy for

Diabetes Mellitus since 20 years and this was not disclosed at the time of taking the policy. Not satisfied with the decision of the Company Smt Jayalaxmi approached the Office of the Insurance Ombudsman. After perusal of the records parties to the dispute were called for hearing. It is evident from the history recorded by the doctor at the time of admission to KEM Hospital that the deceased life assured was suffering from diabetes for a long time and was on Insulin. The case papers of Holy Family Hospital also reveals that he was a known case of IHD, DM, HTN, ARF and the diagnosis arrived at Holy Spirit Hospital was uncontrolled diabetes mellitus and acute renal failure and was advised dialysis urgently. The analysis of the medical records leads to the conclusion that the Diabetes Mellitus which the deceased life assured was suffering must have contributed for worsening of the condition of the life assured and it was in existence before making the application for insurance. The duration of D.M. can be debated as other than hospital record no evidence was produced but certainly the present stage can't develop in two months, the history certainly goes back prior to this period and since he was taking insulin for D.M. so it was also known to him. As such the contention of the complaint that the deceased was not suffering from Diabetes Mellitus is not sustainable.

In the circumstances, this forum finds no valid reason to interfere with the decision of TATA AIG Life Insurance Co. to repudiate the claim for the sum assured under the policy.

**Mumbai Ombudsman Centre
Case No. : LI-171 of 2006-2007**

Smt Jayamala Rai

V/s.

Life Insurance Corporation of India

Award Dated : 31.01.2007

Shri Rakesh Raman Rai had proposed for three Life Insurance policies under Jeevan Mitra Triple cover for terms 16,19,21 respectively from Life Insurance Corporation of India, Branch 934 of Thane Divisional Office through proposals dated 11.03.2005 for Sum Assured of Rs.2,00,000/- each. Unfortunately, Shri Rakesh Raman Rai was shot on 10.5.2005 at around 11.30 p.m. and died at midnight. When Smt Jayamala Rai , wife and nominee under the policy preferred a claim to Life Insurance Corporation of India, Kalyan Branch Office of Thane D.O. sent cheques for Rs. 2,00,000 each under each policy stating that LIC decided to settle the claim on ex-gratia basis as the contract was unconcluded. Not satisfied with this decision, she represented to the Zonal Office and not receiving any favourable response from them approached this Forum for redressal of her grievance. After perusal of all the records submitted to this Forum parties to the dispute were called for hearing Both documentary and oral evidences adduced at this Forum have been examined. The complainant submitted copies of the FPR dated 11.5.05 and LIC has also submitted copy of First Premium adjustment sheet dated 11.5.05 and proposal/Review Rating Sheet of the proposals. The point to be examined in this case is whether there was a concluded contract before the death of the Life Assured. In this case, the proposer had submitted all the requirements including deposit towards first premium. He had disclosed all the previous policy particulars including the lapsed policies. The proposer had informed by his letter dated 31st March/10th April, 2005 that he was not interested in reviving 3 of his lapsed policies. As revival of the lapsed policies was a pre-condition for acceptance of the fresh proposals the Insurer decided to drop the proposals and the decision of LIC was conveyed to the Proposer. This amounts to a counter proposal by LIC. Though LIC

subsequently accepted the proposals, there is no letter from the Proposer on record to show that he had accepted the counter proposal of LIC. . The general rule is that the contract of insurance will be concluded only when the party to whom an offer has been made accepts it unconditionally and communicates to the person making the offer. Even in cases where first premium has been sent with the proposal and the insurer accepts the proposal without any modification, assumption of the risk being indicated by a separate receipt issued for the first premium. But any acceptance is always subject to the condition that any adverse event connected with the risk has occurred between the date of proposal and date of acceptance, the assurance is invalid unless intimation of such event is given to the insurer and acceptance is reapproved. The acceptance to be complete must be communicated to the proposer, either directly or by some definite act, such as placing the contract in the mail. Mere delay in giving an answer cannot be construed as an acceptance, as , prima facie, acceptance must be communicated to the proposer.

It is very clear that the amount paid and kept in deposit towards first premium was converted as Premium which is evident from the copy of the premium adjustment sheet on record. The First Premium Receipt, in respect of the policies under dispute were issued after the death of the life assured on 11.5.2005. The delay in concluding the contract could be attributed to unwillingness of the proposer to revive all the lapsed policies. The proposals were dropped by LIC and perhaps decided to accept the same later on as per the oral request of the proposer. The premium adjustment was done and consequently First Premium Receipt was printed and issued after the death of the proposer as the intimation of death had not reached the Insurer. Since the acceptance of the contract was not communicated to the proposer before his death, there was no concluded contract. However, LIC has paid claim of Rs. 2 lacs each on ex-gratia basis based on the merit of the case which seems reasonable. In view of this, there is no reason to interfere with the decision of LIC.

Mumbai Ombudsman Centre
Case No. : LI-184 of 2005-2006
Shri Govindrao Jhatingrao Gaikwad
V/s.
Life Insurance Corporation of India

Award Dated : 02.01.2007

Shri Dipak Kumar Nivrattirao Sonkamble had taken a Life Insurance policy from Udgir Branch Office of Life Insurance Corporation of India, Aurangabad Divisional Office, under Life Insurance Policy No.982045427 under Plan and Term 75-20 (Money Back Policy with profits + Accident Benefit) for sum Assured of Rs.50,000/-.The date of proposal and the commencement of the policy was 15.02.2001. The said policy lapsed due to non payment of premium from February,2003 and the policy was revived on 03.03.2004 based on the Personal Statement regarding health given by Shri Dipakkumar Nivrattirao Sonkamble. Shri Dipakkumar Nivrattirao Sonkamble unfortunately expired on 9th September, 2004, due to Hypertension c Heart disease. When Smt Vijaymali, wife and nominee under the policy, preferred a claim to Life Insurance Corporation of India, LIC of India, Aurangabad D.O. repudiated the liability stating that the deceased life assured had withheld correct information regarding his health at the time of revival, and hence, in terms of the policy contract and declaration in the proposal form and personal statement, they were not liable for any payment under the policy. In the meanwhile Smt Vijaymali who was suffering from cancer and was not able to move from her bed gave authority to her father, Shri Govindrao

Jhatingrao Gaikwad to pursue the case but unfortunately she also expired on 31.12.2004. Shri Govindrao Jhatingrao Gaikwad made a representation and aggrieved by their decision, Shri Govindrao Jhatingrao Gaikwad approached this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The entire records pertaining to the case have been scrutinised. The primary cause of death was Hypertension with Heart Disease and the life assured had no other disease. He has also mentioned that the patient died at home due to heart attack, and he had not attended to him earlier and was not treated in any hospital. A bare perusal of the medical certificates would reveal that the leave was obtained on account of some ailment like enteric fever, colic pain with severe dehydration/anaemia. There was no hospitalisation nor such ailment was the cause of his death. He died at home due to hypertension with heart disease. Obviously the cause of death had no nexus with the casual illnesses on the basis of which he secured the leave from the employer. It will not be out of place to mention that in Government employment/public sector, employees obtain medical certificate many a times falsely, only to secure leave. In this case the DLA was working in Government Milk Scheme, Parbani and his wife was suffering from cancer. Under the circumstances, the suppression of the instant case was wholly inconsequential having no bearing on the ultimate cause of death of the insured. The death was sudden due to heart attack at home. LIC repudiated the claim on the basis of the medical certificates submitted by the life assured to his employer for securing leave. In the claim form 'B' he has stated that no other disease preceded or co-existed with that which immediately caused death. The medical certificates on which LIC relied on to repudiate the claim are not supported by copies of the prescriptions, chemists bills etc. pertaining to the treatment taken by the Life Assured. In view of the above analysis, Life Insurance Corporation of India is hereby directed to settle the claim under policy No. 982045427 on the life of late Shri Dipak Kumar Nivrattirao Sonkamble and pay the claim amount as per the terms of the policy conditions to the legal heir of the life assured. The case is disposed of accordingly.

Mumbai Ombudsman Centre
Case No. : LI-178 of 2006-2007
Smt Bebi Namdeo Kalbande
V/s.

Life Insurance Corporation of India

Award Dated : 11.01.2007

Shri Namdev Sonaji Kalbande had taken a Life Insurance policy bearing for a Sum Assured of Rs.1,00,000/- under Plan and Term (75-20)– a Money Back Policy with Profits and DAB. The commencement of the policy was from 28.02.2005. Unfortunately, Shri Namdev Sonaji Kalbande expired on 25.06.2005 due to CGN/HTN/CRF/ESRD with Anaemia. When Smt Bebi N Kalbande, wife and nominee under the policy, preferred a claim Life Insurance Corporation of India repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance. Not satisfied by the said decision, Smt Bebi Namdev Kalbande approached this Forum. After perusal of all the records submitted to this Forum parties to the dispute were called for hearing. The records pertaining to the case have been examined. As per the Certificate of Hospital Treatment dated 8.9.2005 issued by Asst. Professor of Nephrology, S.S.N & P.G.L., Nagpur, Shri Namdeo Kalbande was admitted to the hospital on 12.5.2005 (Indoor admission no. 2553) with complaints of nausea, loss of appetite, oliguria – 3 months as reported by the patient himself. The diagnosis arrived at the hospital was CGN/HTN/CRF/ESRD/Anaemia. In the Medical Attendant's Certificate issued by the same doctor, it has been mentioned

that the patient did not die in that hospital. On careful scrutiny of this certificate it is observed that question no. 5(e) was replied as "7.3.2005 four months" and question no.7 as " 7.3.2005." and the handwriting clearly indicates that this information was written subsequently and is not of one and the same person.LIC repudiated the claim on the ground that the life assured had been suffering from CRF, HTN, ESRD and Anaemia before the date of proposal which were not disclosed in the proposal form. It is observed from the medical papers on record that the life assured consulted medical man within a month from the inception of the policy and was diagnosed to have Chronic Renal Failure. He was admitted to Medical Post Graduate Institute, Super Speciality Hospital, Nagpur just after two months from the date of proposal with Chronic Renal Failure and End Stage Renal Disease (ESRD) among other complications which clearly points to the fact that the invasive progress of the disease could not have developed within a month from the date of proposal. However, LIC has not discharged the burden of proof adequately by providing any proof of treatment before the date of proposal or proved that the life assured had knowledge of the illness, instead they produced the forged hospital records with a view to prove that the life assured was suffering from the illness and was taking treatment prior to the date of proposal. But the Insured was a farmer from a rural area without an easy access to the medical facilities and perhaps he had ignored all the symptoms of the illness in a casual approach and hence not disclosed in the proposal form.

Considering the totality of the case, I am inclined to grant an ex-gratia payment of 50% of the Sum Assured under the policy by invoking power under Rule 18 of the RPG Rules, 1998.

Mumbai Ombudsman Centre
Case No. :LI-187 of 2006-2007
Smt Pratidnya Prabhakar Goregaonkar
V/s.
Life Insurance Corporation of India

Award Dated : 25.01.2007

Shri Prabhakar Ramchandra Goregaonkar had taken a policy bearing no.923071389 from Life Insurance Corporation of India, of Thane Divisional Office through proposal dated 30.01.2004 for a Sum Assured of Rs.30,000/- under Table and Term (91-15)-New Janaraksha Plan with Profits and Accident Benefit. The commencement of the policy was from 25.01.2004. Unfortunately, Shri Prabhakar R Goregaonkar expired on 14.04.2005 due to Cirrhosis of liver with Ascites and encephalopathy. When Smt Pratidnya P Goregaonkar, wife of Late Shri Prabhakar R Goregaonkar preferred a claim under the above said policy to Life Insurance Corporation of India, Thane Divisional Office of Life Insurance Corporation of India repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance Not satisfied by the said decision Smt Pratidnya P Goregaonkar appealed to the Zonal Manager and aggrieved by their decision, Smt Pratidnya Prabhakar Goregaonkar approached this Forum for redressal of her grievance. The analysis of the entire records leads to the conclusion that the insured had an attack of Chronic Hepatitis with cirrhosis of liver disease with ascites and encephalopathy. The word Ascites means the accumulation of fluid in the peritoneal cavity, causing abdominal swelling. Causes include infections such as tuberculosis, heart failure, portal hypertension, cirrhosis and various cancers (particularly of the ovary and the liver) and Chronic hepatitis continues for months or years, eventually leading to cirrhosis. It may be caused by persistent infection with a hepatitis virus (usually hepatitis B, C or D) which may respond to treatment.Taking all the certificates

into consideration, it would be reasonable to conclude that Shri Goregaonkar had some health problems at the time of taking the policy. Since the death has occurred within two years LIC has repudiated the claim based on the certificate issued by the Medical Practitioner. The complainant has also not produced any evidence to prove it otherwise except a correction in the period from 3 years to 3 months in the doctor's certificate. Such corrections are generally issued on the request of the party after repudiation of the claim and cannot be taken as an evidence. The death had occurred within 1 year and 3 months of taking the policy and the duration of disease as per Doctor's certificate goes beyond this period. Under the circumstances, the decision of the Insurer seems to be justified.

The life assured was a farmer by occupation and perhaps in the absence of good medical facilities in remote villages he might not have taken the ailment more seriously. Moreover, the policy was only for Sum Assured of Rs. 30,000 and under Jana Raksha Plan for the benefit of his minor son. Considering the totality of the case and looking to the socio economic condition of the complainant, an ex-gratia payment of 50% of the Sum Assured under the policy is granted.

Mumbai Ombudsman Centre
Case No. : LI-164 of 2006-2007
Smt Vishalakshi K Shetty
V/s.

Bajaj Allianz Life Insurance Company Limited

Award Dated : 31.01.2007

Shri Krishna D Shetty had taken a Product Unit Linked policy from Bajaj Allianz Life Insurance Company Limited under policy no. 0013812998 for Sum Assured of Rs.9,09,160/-. The proposal date was 10.12.2005 whereas the date of commencement of the policy was 28.12.2005. Unfortunately Shri Krishna D Shetty expired on 19.04.2006 at home due to Cardio Respiratory Failure. When the nominee, complainant, Smt Vishalakshi Shetty approached the Bajaj Allianz with all the documents, Bajaj Allianz Life Insurance Company rejected the claim on the ground that the life assured had history of IHD since 4 years with Hypertension, Diabetes Mellitus and hyperlipidemia and was on oral treatment which was not disclosed in the proposal form and diabetic questionnaire. Aggrieved by the said decision of the Company, Smt. Vishalakshi Shetty approached the Office of the Insurance Ombudsman. The records of the case were perused and parties to the dispute were called for hearing. The documents submitted by the parties and oral statements made at the hearing have been examined. It is noted that the Insurer had taken medical examination report with various pathological reports as per their underwriting norms and perhaps based on the clue that the proposer had diabetes, called for PPBS and Diabetes Questionnaire Form. In the Diabetes Questionnaire Form, the life assured had not disclosed that he was suffering from diabetes and taking treatment for the same, but on the contrary replied negatively. The complainant admitted that Dr. Asmita Shah was the family doctor of the deceased and her husband used to consult Dr. Asmita Shah for any ailment. Dr. Asmita Shah has clearly mentioned in her certificate that the deceased was suffering from diabetes for 4-5 years and Hypertension for 3-4 years and the nature of treatment was "Oral hypoglycemia and anti hypertensive". As regards IHD allegedly suffered by the life assured, Dr. Shah has mentioned that he had chest pain on exertion about 15-20 days prior to death and for which he had undergone various tests like ECG, Blood sugar, lipid profile etc. It is possible that the symptoms of IHD were observed 15-20 days before his death. The contention of the complainant that

tests done on 3.4.2006 were normal and he was in good health at that time is not tenable in the absence of the referring doctor's recommendations and the findings.

It is clear from the information given by Dr. Asmita N Shah and also the information given by the complainant herself in the statements mentioned above, that the deceased life assured was suffering from Diabetes and Hypertension when he proposed for assurance. The complainant in her oral deposition also admitted that her husband had been taking ½ tablet daily for diabetes, on the advice of Dr. Asmita Shah. The life assured did not disclose this material information in the proposal form and before the Medical Examiner of the Insurer or in the Diabetes questionnaire Form. Had he disclosed the correct status of his health at the time of proposal, Insurer would have probed further and taken appropriate underwriting decision.

Thus the repudiation of death claim by Bajaj Allianz Life Insurance Company on the ground of deliberate misstatement and suppression of material facts regarding health of the life assured at the time of proposal is held sustainable.

Mumbai Ombudsman Centre
Case No. : LI-033 of 2006-2007
Smt Ranjana Anilrao Dhandole
V/s.
Life Insurance Corporation of India

Award Dated : 28.02.2007

Shri Anil Daultrao Dhandole had taken a Life Insurance policy bearing no.820882530 from Life Insurance Corporation of India, Yavatmal Branch 991 of Amravati Divisional Office through proposal dated 26.08.2003. Unfortunately Shri Anil Daultrao Dhandole expired on 03.04.2005. The primary cause of death was Ca Penis (operated) and the secondary cause was secondaries in pleural and lungs, pleural effusion, Septicaemia, multi organ failure. When Smt Ranjana Anilrao Dhandole, wife and nominee under the policy, preferred a claim under the above said policy to Life Insurance Corporation of India, Amravati Divisional Office of Life Insurance Corporation of India repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance. After perusal of all the records submitted to this Forum parties to the dispute were called for hearing. It is evident from the case papers dated 27.9.2004 of Dr. Ravi Deshmukh that the deceased life assured had health problems viz penile growth before he proposed for the insurance under the above policy for which he had undergone pathological test in 6/03 as noted by the doctor. Though the complainant has denied the history of cancer, she admitted that the life assured was operated for growth in penis in March, 2003 at Kawalkar hospital and again in October, 2004. The fact that he was suffering from growth in penis was further confirmed from the histopathology report dated 2.6.2003 submitted by the complainant herself, which ultimately turned out to be cancer leading to the death of the Life Assured. The analysis of the entire records leads to the conclusion that the Insured had experienced frequent complications for which he had consulted medical man and undergone pathological tests and surgery before applying for assurance which were not disclosed. In the above case there was clear suppression of material fact by the deceased life assured and hence LIC's decision to repudiate the claim cannot be faulted.

In the circumstances, this Forum has no justifiable reason to interfere with the decision of LIC to repudiate the claim.

Mumbai Ombudsman Centre
Case No. : LI-013 of 2006-2007
Smt Yogita Pradip Petkule
V/s.

Life Insurance Corporation of India

Award Dated : 28.02.2007

Shri Pradip Shankarrao Petkule had taken two Life Insurance policies bearing nos 972954288- Jeevan Surabhi Money Back Policy with Profits and 973087363 -Jeevan Mitra Triple Cover Endowment Plan with Profits and Accident Benefit from Life Insurance Corporation of India, Branch Ballarpur of Nagpur Divisional Office for Rs. 1,00,000 and 20,000 respectively. Unfortunately, Shri Pradip S Petkule expired on 09.03.2004 due to Cardio Respiratory Arrest due to Septicemia shock with Multi Organ Failure. When Smt Yogita Petkule, wife and nominee under the policies preferred a claim to Life Insurance Corporation of India, LIC of India, Nagpur D.O. repudiated the liability stating that the deceased life assured had withheld correct information regarding his health at the time of effecting the assurance. Not satisfied with this decision, the claimant, Smt Yogita P Petkule made a representation to the Zonal Manager of Western Zone of LIC of India for reconsideration of the decision and being aggrieved at thier decision, Smt Yogita Pradip Petkule approached this Forum. After perusal of the records parties to the dispute were called for hearing .The entire records pertaining to the case have been examined.

LIC has not produced any evidence to show that the deceased life assured was suffering from Acid Peptic disease with jaundice before he proposed for assurance under the above mentioned policies except a medical certificate dated nil issued by Dr. P.S.Khekade for the purpose of securing medical leave from 28.11.2000 to 5.12.2000. The only evidence on which LIC relied on was the leave application and medical certificate submitted in support of the same in December, 2000 which was before the acceptance of the risk under both the policies. The doctor who had issued this certificate in the Special Query Form has mentioned that he was consulted 1 ½ years back but he treated him for APD since 6 months only. Thus, LIC has failed to prove with conclusive evidence that the life assured had made deliberate misstatements and withheld material information at time of effecting the insurance. Normally the employer allow the employee to join the duty back only when the doctor issues a fitness certificate. Though in this case such certificate was not produced but it is presumed that only on fitness the employee was allowed to join duties. The cause of death mentioned in the death certificate issued by the hospital was septicemic shock with multiorgan failure in case of left sided pyopneuthorax whereas in the medical certificate issued by Dr. Khekade, he had treated him for APD. There is no close nexus between the cause of death and the disease mentioned in the medical certificate. The repudiation of the claim by LIC of India is on the basis of medical certificate issued by the Doctor for sick leave availed by the Life Assured for a short period i.e. from 28.11.2000 to 5.12.2000 which is not supported by any hospitalization records or Medical treatment of the disease. Under the circumstances the said decision of LIC is not sustainable.