

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, Chandigarh
(States of Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and Union Territory of Chandigarh)
(UNDER RULE NO.16/17 OF THE INSURANCE OMBUDSMAN RULES, 2017)
Ombudsman Name : Shri Atul Jerath
CASE OF COMPLAINANT - Asha Devi
VS
RESPONDENT: LIC of India
COMPLAINT REF: NO: CHD-L-029-2223-2115
AWARD NO:IO/CHD/R/LI/0018/2023-2024

1.	Name & Address Of The Complainant	Asha Devi W/o Shri Rajinder Singh, Laxmi Garden Colony, Dhaki						
2.	Type Of Policy: Life Policy Details:							
	Policy Number	Sum Assured	From Date	To Date	DOC	Premium	Policy Term	Paying Term
	473519024	500000	01-Mar-2013	01-Mar-2032	01-Mar-2013	31150	20 years / Yly	20 years
3.	Name of insured		Asha Devi					
4.	Name of the insurer/broker		LIC of India					
5.	Date of receipt of the Complaint		20-Mar-2023					
6.	Nature of Complaint		Delay in settlement of claim.					
7.	Amount of Claim		0.00					
8.	Date of Partial Settlement							
9.	Amount of relief sought		0					
10.	Complaint registered under Insurance Ombudsman Rules 2017		Rule 13(1)(b) — any partial or total repudiation of claims by an insurer					
11.	Date of hearing		19-Apr-2023					
	Place of hearing		Chandigarh					
12.	Representation at the hearing							
	a)For the Complainant		Absent					
	b)For the Insurer		Sh Ravinder Kher, AO DO Amritsar					
13.	Complaint how disposed		Recommendation under rule 16					

Brief Facts of the Case:

Ms Asha Devi (hereinafter, the Complainant) has filed a complaint in this office about non payment of interest on delayed payment of survival benefit claim due in 2018 under policy bearing number 473519024 by LIC of India (hereinafter, the Insurers).

Contention of the complainant:

Survival Benefit under the policy was due on 01.03.2018 and the intimation of next due was sent to the complainant in Feb. 2023. she visited the insurer to submit the documents and on enquiry came to know that that the first benefit was due in 2018 which she did not receive. she asked for the same along with interest for the delayed period. she was told that they will pay the benefit first and interest will be paid later. the same has not been paid yet. she has written to the insurer but no satisfactory reply has been received. As such she has approached this forum for relief.

Contention of the Respondent:

The insurer vide SCN dated 28.03.2023 has informed that the policy in question is a money back policy having sum assured of Rs 5 Lakhs wherein SB is due every 5 years as 20% of sum assured if the policy is in force condition as on due date. in this case the first SB was due on 01.03.20218 which was not registered by the system might be due to technical reasons.

However at the time of second SB which became due on 01.03.2023 intimation was sent to the policy holder and documents were asked. it was informed by the policy holder that she did not receive the earlier SB. the same was checked and thereafter paid on 20.02.2023. Later the second SB was also paid on 01.03.2023. Since the delay in payment of SB was on the part of the insurer the policy holder was eligible for penal interest but the same could not be processed at the time of payment of SB due to some system error.

The same was referred to higher office for rectification and thereafter has been paid on 22.03.2023 for Rs 31061.62 after deduction of Rs 3107/- as income tax.

Observation and conclusions:

The representative of the insurer informed that the survival benefit along with up to date interest stands paid to the complainant on 22.03.2023 after deduction of Rs 3107/- as income tax as per rules. The complainant when contacted confirmed the same.

In view of the above, no further action is required and the complaint is treated as closed.

Recommendation under Rule 16 of Insurance Ombudsman Rules 2017 (as amended from time to time)

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Since the complainant has been paid the survival benefit along with interest as desired by her by the insurer no further action is required at our end and the complaint is treated as closed.

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Date:21/Apr/2023

INSURANCE OMBUDSMAN

Chandigarh