

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, Kolkata
(States of West Bengal, Sikkim and Union Territories of Andaman & Nicobar Islands)
(UNDER RULE NO.16/17 OF THE INSURANCE OMBUDSMAN RULES, 2017)

Ombudsman Name : MS. KIRAN SAHDEV
CASE OF COMPLAINANT - Susanta Kumar Ganguly

VS

RESPONDENT: LIC of India
COMPLAINT REF: NO: KOL-L-029-2223-0886

AWARD NO:

1.	Name & Address Of The Complainant	Susanta Kumar Ganguly Vill - Old Kodalia, Near 2no G P Office, PO - Bandel Jn., Hooghly - 712 123.						
2.	Type Of Policy: Life							
	Policy Details:							
	Policy Number	Sum Assured	From Date	To Date	DOC	Premium	Policy Term	Paying Term
	437491625	100000 .		10-Mar-2022		0		
	497935549	87260		31-Dec-2019		0		
3.	Name of insured	Susanta Kumar Ganguly						
4.	Name of the insurer/broker	LIC of India						
5.	Date of receipt of the Complaint	09-Nov-2022						
6.	Nature of Complaint	LESS PAYMENT OF MATURITY 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	29-Dec-2022						
	Place of hearing	Kolkata						
12.	Representation at the hearing							
	a)For the Complainant	Susanta Kumar Ganguly						
	b)For the Insurer	Rajib Chakraborty						
13.	Complaint how disposed	BY ONLINE HEARING						
14.	Date of Award							

COMPLAINT REF: NO: KOL-L-029-2223-0886

Brief Facts of the Case:

The customer has claimed that he has not received the correct maturity amount from the insurer in respect of the 2 policies

Contention of the complainant:

The customer has complained that in respect of policy no 497935549, the maturity amount is only Rs 118674 although the Sum assured is 250000. For policy no 437491625, he has received only rs 88761.00 He claims that he has not received all the survival benefits due.

Contention of the Respondent:

payment details of pol no 497935549, jeevan saral plan where the maturity Sum Assured is different from the Sum Assured payable on death which was 250000 is as follows (maturity sum assured) RS 87260 + (Loyalty) RS 31494 = RS 118674. For policy no 437491625, Survival Benefit due on 03/10 paid vide chequeno 003133 on 13.03.2010 encashed on 19.03.2010; Survival Benefit due on 03/14 paid vide cheque no 754440 on 10.03.2014 encashed on 12.03.2014 in the customer's canara bank account. Maturity amount correctly paid in respect of both the two policies

Observation and conclusions:

It is observed from the calculation provided by the insurer that the amount paid is correct. The only contention is that the customer claims that he has not received the Survival Benefit due on March,2010 and March'2014. The representative of LIC has promised to follow up with banker to get the details. The customer on his part has also promised to confirm with his bank regarding the said payments.

AWARD

COMPLAINT REF: NO: KOL-L-029-2223-0886

Taking into account the facts and circumstance of the case, the submission made by the complainant and the insurer at the hearing and the relevant documents on record, it is noted that although Life Insurance Corporation of India has provided details of payment, it cannot be established whether the amount has been correctly credited to the customer. It is hereby recommended to the insurer to follow up with the bank and confirm that payment has been made to the complainant and the same should be intimated to the office of the Ombudsman within 30 days of the receipt of the order.

Kiran Sahdev
(MS. KIRAN SAHDEV)
INSURANCE OMBUDSMAN

Dated at Kolkata, this 30th day of December 2022
Copy to: 1) Complainant: M. Susanta Kumar Ganguly
2) Company: LC of India, (HDO)
3)

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, Kolkata
(States of West Bengal, Sikkim and Union Territories of Andaman & Nicobar Islands)
(UNDER RULE NO.16/17 OF THE INSURANCE OMBUDSMAN RULES, 2017)

Ombudsman Name : MS. KIRAN SAHDEV
CASE OF COMPLAINANT - Ruchira Panda

VS

RESPONDENT: LIC of India
COMPLAINT REF: NO: KOL-L-029-2223-0612

AWARD NO:

1.	Name & Address Of The Complainant	Ruchira Panda 122-C, Ananda Palit Road, Kolkata - 700 014.
2.	Type Of Policy: Life Policy Details:	
	Policy Number	Sum Assured
	From Date	To Date
	DOC	Premium
	Policy Term	Paying Term
	415219892	500000
	28-Oct-2001	28-Oct-2021
	28-Oct-2001	35625
	20/YEARLY	20
3.	Name of insured	Ruchira Panda
4.	Name of the insurer/broker	LIC of India
5.	Date of receipt of the Complaint	26-Aug-2022
6.	Nature of Complaint	Non-receipt of reinvested Survival Benefit
7.	Amount of Claim	0.00
8.	Date of Partial Settlement	
9.	Amount of relief sought	183942
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 Place of hearing	16-Nov-2022 Kolkata
12.	Representation at the hearing	
	a)For the Complainant	Mr. Arabinda Panda (Father)
	b)For the Insurer	Ms. Asima Biswas
13.	Complaint how disposed	By conducting online hearing
14.	Date of Award	07-Dec-2022

Brief Facts of the Case:

i) The Complainant, Ms. Ruchira Panda, purchased a Non-Linked Without Profit Individual Life Assurance policy (Jeevan Sneha) bearing no. xxxxxx9892 on her own life from City Branch - 10 of Life Insurance Corporation of India (KMDO-I) on 28.10.2001 for yearly premium of Rs. 35,625/- with Sum Assured of Rs.5,00,000/- for a term of 20 years. ii) The policy got matured on 28.10.2021 and the Complainant stated to have received the maturity proceeds under the policy after 3 months from date of maturity of the policy. The Complainant reinvested the survival benefits payable under the policy in Oct.2006, Oct.2011 & Oct.2016. She received the enhanced survival benefits due in Oct.2006 & Oct.2016 after maturity but she alleges that the Insurance Company did not settle the 2nd Survival Benefit due in Oct.2011 along with interest on maturity of the policy. iii) The Complainant, Ms. Ruchira Panda, brought this to the notice of the concerned Branch authority & higher authorities of the insurer through email on 09.03.2022 and further through letter on 04.05.2022. However, the Insurance Company did not pay heed to her concern. iv) So, the Complainant approached the office of the Insurance Ombudsman on 26.08.2022 for redressal of her grievance regarding settlement of reinvested Survival Benefit due in Oct 2011 under the subject policy along with interest for delayed payment.

Contention of the complainant:

i) That the Complainant purchased the subject Jeevan Sneha Policy from LIC of India in Oct. 2001. As per terms and conditions of the policy the Survival Benefits are payable under the policy @20% of the Sum Assured after every 5 years and if the policyholder reinvests the Survival Benefits, then insurer will pay the Survival Benefit at the time of maturity of the policy along with compound interest @11%. ii) That the Complainant opted for reinvestment of all three Survival Benefits under the policy due in Oct.2006, Oct.2011 & Oct.2016 and the Policy got matured on 27.10.2021. iii) That the Insurance Company settled the maturity claim after 3 months from date of maturity. The insurer also settled the 1st and 3rd Survival Benefits along with interest after maturity but they did not pay her the reinvested 2nd Survival Benefit due in Oct.2011 along with interest. iv) That she repeatedly appealed to LIC of India on 09.03.2022 & 04.05.2022 but the insurer did not settle the claim as yet. v) That the Branch Manager tried to resolve the issue and also forwarded the matter to the higher authority but the problem remains unresolved. She was verbally conveyed that this is caused due to a technical issue with accounts department but she is not supposed to suffer for more than 10 months due to the internal problem of the insurer. She urgently requires the money to continue the treatment of her aged parents. Mr. Arabinda Panda, the father of the Complainant, attended the online hearing from the office of the Insurance Ombudsman on 16.11.2022. He insisted that they have not received the 2nd Survival Benefit from the Insurance Company due in Oct.2011.

Contention of the Respondent:

The contention of the Insurance Company as per their Self Contained Note (SCN) received on 15.11.2022 is as follows: Policy Details: Policy No. 4152199892 on the life of Ruchira Panda 1. Sum Assured: 5,00,000/- 2. Plan/Term/PPT: 128/20/20 3. DOC: 28/10/2001 4. DOM: 28/10/2021 This is a Jeevan Sneha Policy, the payment details against the said policy are given below: i) The Maturity Claim was due on 28/10/2021 and an amount of Rs.9 lacs was paid through NEFT on 09/02/2022 as maturity proceeds without any deductions. ii) The 1st SB Claim of Rs. 1 lac was due on 28/10/2006 and the reinvested amount payable on maturity was Rs.4,78,459.00 lacs. An amount of Rs.440613.00 was paid through NEFT on 09/11/2021 after deducting Income Tax of Rs.37846.00. iii) The 2nd SB Claim of Rs. 1 lac was due on 28/10/2011 and Rs.100000.00 was paid through cheque on 22.11.2011 vide cheque no. 056852 without any deductions. iv) The 3rd SB Claim of Rs. 1 lac was due on 28/10/2016 and the reinvested amount payable on maturity was Rs.168506.00 lacs. An amount of Rs.161655.00 was paid through NEFT on 10/11/2021 after deducting Income Tax of Rs.6851.00. The Insurer submitted that they have paid the SB due 10/2006 & 10/2016 along with reinvested amount and maturity amount on submission of the requirements from the Policyholder. They have also paid SB due 10/2011 for Rs.100000/-, the policyholder has complained for non-receipt of reinvested amount for SB due 10/2011. On scrutinizing all their records, they have noticed that SB due 10/2011 was not reinvested by the Complainant, hence they have not paid the reinvested value against this due. Ms. Asima Biswas represented LIC of India (KMDO-I) in the online hearing. She reiterated the contentions as mentioned in their SCN.

Observation and conclusions:

i) This impugned policy was purchased by Ms. Ruchira Panda on 28.10.2001. The Sum Assured of the policy is Rs.5,00,000/- and the term of the policy is 20 years. The Survival Benefit @20% of the Sum Assured is payable after every 5 years from date of commencement of the policy. As per Special Provision No.3 under the policy, the

an event, the Survival Benefit enhanced at the rate of 11% pa compounding yearly for completed months of deferment will be paid. ii) As per the endorsement observed on the policy bond, the Complainant requested for deferment of all the Survival Benefits due in Oct.2006, Oct.2011 & Oct.2016. iii) The Complainant confirmed the receipt of maturity proceeds under the policy along with enhanced Survival Benefits due in Oct.2006 & Oct.2016 after the date of maturity of the policy on 28.10.2021. However, the reinvested 2nd Survival Benefit due in Oct.2011 reported to have not been received by the Complainant. iv) The Insurance Company stated that the payment of basic SB of Rs.1 lac due in Oct.2011 was made through the cheque no. 0563852 and the date of payment was on 22.11.2011. But they failed to furnish the encashment details of the cheque, the bank account details in which the amount was credited. The Insurer could not submit the discharge voucher executed by the policyholder in respect of this payment. In the contrary, the Complainant furnished copy of the policy bond wherein it is clearly endorsed by the insurer that the SB due in Oct.2011 was reinvested by the policyholder and it has not been contradicted by the insurer with any documentation.

AWARD

COMPLAINT REF: NO: KOL-L-029-2223-0612

Taking into account the facts & circumstances of the case, the submissions made by both the parties during the course of hearing and after going through the documents on record it is observed that the 2nd Survival Benefit (SB) payable under the policy bearing no. xxxxx9892 due on 28.10.2011 was reinvested by the Complainant as evident from the endorsement on the copy policy bond. The Insurance Company failed to submit any document to establish that the said payment was credited in the Bank account of the Complainant. As such, the Insurance Company is directed to pay the Survival Benefit due on 28.10.2011 under the Policy bearing no. xxxxx9892 along with reinvestment interest payable as per policy terms and conditions till date of maturity i.e.28.10.2021 and also the delayed payment interest on the total reinvested amount payable on date of maturity up to the date of actual payment as per I.O.Rules, 2017. Hence the Complaint is treated as disposed of. The attention of the Complainant and the Insurer is hereby invited to the following provisions of Insurance Ombudsman Rule 2017. As per Rule 17(6) of the said rules the Insurer shall comply with the Award within 30 days of the receipt of the acceptance letter of the Complainant and shall intimate the compliance to the Ombudsman.


(MS. KIRAN SAHDEV)
INSURANCE OMBUDSMAN

Dated at Kolkata, this 7th day of December 2022

Copy to: 1) Complainant: Ms. Ruchira Panda
2) Company: LIC of India (KMDO-I)
3) MD: LIC of India

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, Kolkata
(States of West Bengal, Sikkim and Union Territories of Andaman & Nicobar Islands)
(UNDER RULE NO.16/17 OF THE INSURANCE OMBUDSMAN RULES, 2017)

Ombudsman Name : MS. KIRAN SAHDEV

CASE OF COMPLAINANT - Amrita Panda

VS

RESPONDENT: LIC of India

COMPLAINT REF: NO: KOL-L-029-2223-0613

AWARD NO:

1.	Name & Address Of The Complainant	Amrita Panda 122-C, Ananda Palit Road, Kolkata - 700 014.						
2.	Type Of Policy: Life							
	Policy Details:							
	Policy Number	Sum Assured	From Date	To Date	DOC	Premium	Policy Term	Paying Term
	415220073	500000	27-Oct-2001	27-Oct-2021	27-Oct-2001	35450	20/YEARLY	20
3.	Name of insured	Amrita Panda						
4.	Name of the insurer/broker	LIC of India						
5.	Date of receipt of the Complaint	26-Aug-2022						
6.	Nature of Complaint	Non-receipt of reinvested Survival Benefit						
7.	Amount of Claim	0.00						
8.	Date of Partial Settlement							
9.	Amount of relief sought	183942						
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	16-Nov-2022						
	Place of hearing	Kolkata						
12.	Representation at the hearing							
	a) For the Complainant	Mr. Arabinda Panda (Father)						
	b) For the Insurer	Ms. Asima Biswas						
13.	Complaint how disposed	By conducting online hearing						
14.	Date of Award	07-Dec-2022						

Brief Facts of the Case:

i) The Complainant, Ms. Amrita Panda, purchased a Non-Linked Without Profit Individual Life Assurance policy (Jeevan Sneha) bearing no. xxxxxx0073 on her own life from City Branch - 10 of Life Insurance Corporation of India (KMDO-I) on 27.10.2001 for yearly premium of Rs. 35,450/- with Sum Assured of Rs.5,00,000/- for a term of 20 years. ii) The policy got matured on 27.10.2021 and the Complainant stated to have received the maturity proceeds under the policy after 3 months from date of maturity of the policy. The Complainant reinvested the survival benefits payable under the policy in Oct.2006, Oct.2011 & Oct.2016. She received the enhanced survival benefits due in Oct.2006 & Oct.2016 after maturity but she alleges that the Insurance Company did not settle the 2nd Survival Benefit due in Oct.2011 along with interest on maturity of the policy. iii) The Complainant, Ms. Amrita Panda, brought this to the notice of the concerned Branch Authority of the insurer through email on 09.03.2022 and further through letter on 04.05.2022. However, the Insurance Company did not pay heed to her concern. iv) So, the Complainant approached the office of the Insurance Ombudsman on 26.08.2022 for redressal of her grievance regarding settlement of reinvested Survival Benefit due in Oct 2011 under the subject policy along with interest for delayed payment.

Contention of the complainant:

i) That the Complainant purchased the subject Jeevan Sneha Policy from LIC of India in Oct. 2001. As per terms and conditions of the policy the Survival Benefits are payable under the policy @20% of the Sum Assured after every 5 years and if the policyholder reinvests the Survival Benefits, then insurer will pay the Survival Benefit at the time of maturity of the policy along with compound interest @11%. ii) That the Complainant opted for reinvestment of all three Survival Benefits under the policy due in Oct.2006, Oct.2011 & Oct.2016 and the Policy got matured on 27.10.2021. iii) That the Insurance Company settled the maturity claim after 3 months from date of maturity. The insurer also settled the 1st and 3rd Survival Benefits along with interest after maturity but they did not pay her the reinvested 2nd Survival Benefit due in Oct.2011 along with interest. iv) That she repeatedly appealed to LIC of India on 09.03.2022 & 04.05.2022 but the insurer did not settle the claim as yet. v) That the Branch Manager tried to resolve the issue and also forwarded the matter to the higher authority but the problem remains unresolved. She was verbally conveyed that this is caused due to a technical issue with accounts department but she is not supposed to suffer for more than 10 months due to the internal problem of the insurer. She urgently requires the money to continue the treatment of her aged parents. Mr. Arabinda Panda, the father of the Complainant, attended the online hearing from the office of the Insurance Ombudsman on 16.11.2022. He insisted that they have not received the 2nd Survival Benefit from the Insurance Company due in Oct.2011.

Contention of the Respondent:

The contention of the Insurance Company as per their Self Contained Note (SCN) received on 15.11.2022 is as follows: Policy Details: Policy No.415220073 on the Life of Amrita Panda 1. Sum Assured: 5,00,000/- 2. Plan/Term/PPT: 128/20/20 3. DOC: 27/10/2001 4. DOM: 27/10/2021 This is a Jeevan Sneha Policy, the payment details against the said policy are given below: i) The Maturity Claim was due on 27/10/2021 and an amount of Rs.9 lacs was paid through NEFT on 09/02/2022 as maturity proceeds without any deductions. ii) The 1st SB Claim of Rs. 1 lac was due on 27/10/2006 and the reinvested amount payable on maturity was Rs.4,78,459.00 lacs. An amount of Rs.440613.00 was paid through NEFT on 09/11/2021 after deducting Income Tax of Rs.37846.00. iii) The 2nd SB Claim of Rs. 1 lac was due on 27/10/2011 and Rs.100000.00 was paid through cheque on 22.11.2011 vide cheque no. 056851 without any deductions. iv) The 3rd SB Claim of Rs. 1 lac was due on 27/10/2016 and the reinvested amount payable on maturity was Rs.168506.00 lacs. An amount of Rs.161655.00 was paid through NEFT on 10/11/2021 after deducting Income Tax of Rs.6851.00. The Insurer submitted that they have paid the SB due 10/2006 & 10/2016 along with reinvested amount and maturity amount on submission of the requirements from the Policyholder. They have also paid SB due 10/2011 for Rs.100000/-, the policyholder has complained for non-receipt of reinvested amount for SB due 10/2011. On scrutinizing all their records, they have noticed that SB due 10/2011 was not reinvested by the Complainant, hence they have not paid the reinvested value against this due. Ms. Asima Biswas represented LIC of India (KMDO-I) in the online hearing. She reiterated the contentions as mentioned in their SCN.

Observation and conclusions:

i) This impugned policy was purchased by Ms. Amrita Panda on 27.10.2001. The Sum Assured of the policy is Rs.5,00,000/- and the term of the policy is 20 years. The Survival Benefit @20% of the Sum Assured is payable after every 5 years from date of commencement of the policy. As per Special Provision No.3 under the policy, the

policyholder has an option to receive the Survival Benefit at any time after the date on which it falls due and in such an event, the Survival Benefit enhanced at the rate of 11% pa compounding yearly for completed months of deferment will be paid. ii) As per the endorsement observed on the policy bond, the Complainant requested for deferment of all the Survival Benefits due in Oct.2006, Oct.2011 & Oct.2016.iii) The Complainant confirmed the receipt of maturity proceeds under the policy along with enhanced Survival Benefits due in Oct.2006 & Oct.2016 after the date of maturity of the policy on 27.10.2021. However, the reinvested 2nd Survival Benefit due in Oct.2011 reported to have not received by the Complainant. iv) The Insurance Company stated that the payment of basic SB of Rs.1 lac due in Oct.2011 was made through the cheque no. 0563851 and the date of payment was on 22.11.2011. But they failed to furnish the encashment details of the cheque, the bank account details in which the amount was credited. The Insurer could not submit the discharge voucher executed by the policyholder in respect of this payment. In the contrary, the Complainant furnished copy of the policy bond wherein it is clearly endorsed by the insurer that the SB due in Oct.2011 was reinvested by the policyholder and it has not been contradicted by the insurer with any documentation.

AWARD

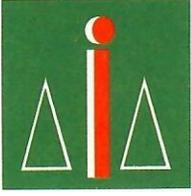
COMPLAINT REF: NO: KOL-L-029-2223-0613

Taking into account the facts & circumstances of the case, the submissions made by both the parties during the course of hearing and after going through the documents on record it is observed that the 2nd Survival Benefit (SB) payable under the policy bearing no. xxxxx0073 due on 27.10.2011 was reinvested by the Complainant as evident from the endorsement on the copy policy bond. The Insurance Company failed to submit any document to establish that the said payment was credited in the Bank account of the Complainant. As such, the Insurance Company is directed to pay the Survival Benefit due on 27.10.2011 under the Policy bearing no. xxxxx0073 along with reinvestment interest payable as per policy terms and conditions till date of maturity i.e.27.10.2021 and also the delayed payment interest on the total reinvested amount payable on date of maturity up to the date of actual payment as per I.O.Rules, 2017. Hence the Complaint is treated as disposed of. The attention of the Complainant and the Insurer is hereby invited to the following provisions of Insurance Ombudsman Rule 2017. As per Rule 17(6) of the said rules the Insurer shall comply with the Award within 30 days of the receipt of the acceptance letter of the Complainant and shall intimate the compliance to the Ombudsman.


(MS. KIRAN SAHDEV)
INSURANCE OMBUDSMAN

Dated at Kolkata ; this 7th day of December 2022

Copy to: 1) Complainant: Ms. Amrita Panda
2) Company : LIC of India (KMDO-I)
3) MD: LIC of India



बीमा लोकपाल कार्यालय
Office of the Insurance Ombudsman
(Karnataka)

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF KARNATAKA
(UNDER RULE NO: 16/17 of THE INSURANCE OMBUDSMAN RULES, 2017)

OMBUDSMAN – SHRI VIPIN ANAND

In the Matter of Mr. DILEEP KUMAR G JAIN V/s PNB MET LIFE INSC CO LTD.,

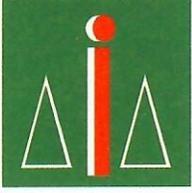
Complaint No: BNG--L--033--2223--0271 dt 16.11.2022

Award No: IO/BNG/A/LI/0192/2022-23

1.	Name & Address of the Complainant	Mr. Dileep Kumar G Jain, Shettar Buildings, Hirepeth 1 st Cross, HUBLI – 580028, Dharwad Dist.
2.	Policy No: Type of Policy: Name of the Policy: Commencement of Policy Policy Period/PPT Sum Assured / Premium /Mode	1200900770641 Life Insurance Policy PNB Met Bhavishya 16.01.2009 15 years/15 years Rs.203000/-Rs.20004/ Annual
3.	Name of the Insured Name of the Policyholder	Chi. Naman D Jain (son) Mr. Dileep Kumar G Jain
4.	Name of the Respondent Insurer Name of the Agent/Broker	PNB Met Life Insurance Co Ltd., -----
5.	Policy bond delivered Date of representation to RI Date of Repudiation/ Rejection Date of Registration of complaint	----- 10.09.2022 27.09.2022 16.11.2022
6.	Reason for repudiation/ Rejection	Settlement of SB as per benefit illustration/ F & U
7.	Date of receipt of Annexure VI-A Date of receipt of SCN	21.11.2022 05.12.2022
8.	Nature of complaint	Delay in settlement of 2 survival benefits and 1 SB unpaid. Hence demanding payment of 1 SB & interest for delayed settlement
9.	Amount of claim	Interest on delayed settlement of survival benefit + 1 SB
10.	Date of Partial Settlement	-----
11.	Amount of relief sought	Interest on delayed settlement of survival benefit + 1 SB
12.	Complaint registered under Rule No	13(1) (f) of Insurance Ombudsman Rules, 2017
13.	Date of hearing/place	06.12.2022 at 1.10 pm /BANGALORE
14.	Representation at the hearing	
	a) For the Complainant	Self
	b) For the Respondent Insurer	Mr. Arijit Basu
	c) For Insurance Brokers	-----
15.	Complaint how disposed	ALLOWED
16.	Date of Award/Order	09.12.2022

IO/BNG/A/LI/0192/2022-23





बीमा लोकपाल कार्यालय

Office of the Insurance Ombudsman (Karnataka)

17. Brief Facts of the Case:

The complaint arose due to non-payment of interest for delayed settlement of 2 survival benefits and non-payment of the 3rd Survival benefit. Though the Complainant approached the RI for the same, the RI has not replied so far. Hence he has approached this Forum for redressal of his grievance.

18. Cause of Complaint: -

a. Complainant's argument:

The Complainant has stated as per the policy document, the survival benefits under the said policy are payable 8/4/2 years prior to the maturity date. But the Insurer now claims that survival benefits are linked to the named child's age and would be paid on his attaining 15/17/20/21 years. There is no explanation as to why there is something entirely different mentioned in the original document with him and when did the change in the option happen. This fact is not mentioned anywhere in the policy document that he has received from the company at the commencement of the policy. When questioned about it, they have sent a different document (benefit illustration) which contains the above mentioned option of survival benefit being linked to the child's age. This document is not part of the original policy document or nowhere mentioned in the original document. Now, he is demanding the interest for delayed settlement of survival benefit as per policy condition. Though he has approached the RI, there is no response from them. Aggrieved, he has approached this Forum for redressal of his grievance.

b. Respondent Insurer's argument:

The Respondent Insurer vide their SCN 01.12.2022 stated that the said policy no. 1200900770641 was issued on the basis of the receipt of the application along with the supporting documents from the Complainant. The policy bond despatched to the registered communication address on 18.01.2009. On receipt of the said policy bond, the Complainant did not approach them within free look period.

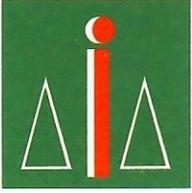
Further, they have stated that the customer has opted for Option "A" for Met Bhavishya in his proposal. As per Option A of the policy, the money back payout is as per the Schedule as mentioned in the Benefit illustration. When the child attains a certain age, then the survival benefits will become payable. The said terms and conditions are part of the File & Use document of the product also. Further, in the policy document terms and conditions clause 5, it is mentioned that "the benefits as specified in the Schedule will be payable". The benefit illustration is designed and presented for the exact specific purpose. Accordingly, the survival benefit will become payable when child attains age 15, 17, 20 & 21 years. They have made the payment upon child attaining the age of 15 years for an amount of Rs.40600/- on 17.01.2018 and Rs.60900/- on 12.08.2020 on the attainment of age 17 years. The next due date of money back as per policy is when the child attains the age of 20 years. In view of this, they have prayed for dismissal of the above said complaint.

IO/BNG/A/LI/0192/2022-23



#19/19, जीवन सौधा बिल्डिंग, भूतल, 24 मैन, जे. पि. नगर 1 फेस, बेंगलूर - 560 078

#19/19, Jeevan Soudha Building, Ground Floor, 24th Main, J. P. Nagar 1st Phase, Bengaluru - 560 078



बीमा लोकपाल कार्यालय

Office of the Insurance Ombudsman (Karnataka)

19. Reason for Registration of complaint: -

The complaint falls within the scope of Sec 13(1) (f) of Insurance Ombudsman Rules, 2017.

20. The following documents were placed for perusal: -

- Complaint from the Complainant, copy of policy schedule, copy of the proposal form, benefit illustration, mail correspondences with Respondent Insurer & their reply,
- SCN, copy of policy bond, copy of proposal form, benefit illustration, mail correspondences
- Consent of the Complainant in Annexure VIA.
- Copy of File & Use document & sales brochure from the RI

21. Result of Online hearing with both the parties (Observations & Conclusions):

Hearing was conducted on 06.12.2022 @ 1.10 pm in the said case by the way of online video conferencing through Webex. The Complainant Mr. Dileep Kumar Jain has presented his case and Mr. Arijit Basu has represented the case on behalf of the Respondent Insurer. Confirmation was taken from all the participants about the clarity of audio and video and to which the participants responded positively.

During the course of the hearing, the Complainant has maintained his stand as per his complaint. He has stated that the insurer was supposed to pay the survival benefit 8/4/2 years prior to the date of maturity as per the terms and conditions printed in the policy bond. But there is a delay in settlement of survival benefits and one survival benefit has not been paid so far. Hence he is demanding interest on delayed settlement. Also, the third SB should have been paid on 16.01.2022 but is unpaid.

The Forum asked the Complainant that when there was a delay in settlement of earlier survival benefits, why he has not approached the insurer at that time.

The Complainant has informed that he has not paid attention at that time.

The Respondent Insurer has informed that the said policy was taken by the Complainant during 2009 on his own life and with his son as beneficiary. The benefit illustration was also supplied to the Complainant. He never raised his objection at that time. As per File & Use and benefit illustration, the survival benefits becomes payable when the child attains the age of 15/17/20/21 years. Accordingly they have paid the survival benefits. The RI has accepted that the child's age is linked with the survival benefit and the same is not mentioned in the policy bond.

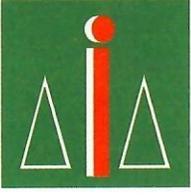
The Forum informed the RI that File & Use is the document for the use of the Insurer and the Regulator and asked the RI whether it was supplied to the Complainant to which the RI's representative answered in the negative. Further, the benefit illustration was not got signed by the Complainant. The Forum is of the view that the benefit illustration & sales brochure cannot be taken as a part of policy bond. It is only a part of sales literature and the policy contract cannot be interpreted on the basis of sales materials.

IO/BNG/A/LI/0192/2022-23

#19/19, जीवन सौधा बिल्डिंग, भूतल, 24 मैन, जे. पि. नगर 1 फेस, बेंगलूर - 560 078

#19/19, Jeevan Soudha Building, Ground Floor, 24th Main, J. P. Nagar 1st Phase, Bengaluru - 560 078.





बीमा लोकपाल कार्यालय

Office of the Insurance Ombudsman (Karnataka)

The Respondent Insurer has accepted that there is printing mistake in the policy bond and nowhere it was mentioned in the policy bond that the survival benefit is linked with the child's age.

After careful scrutiny of the records and documents made available to this Forum and submission of the parties at the hearing, it is observed that the benefit illustration, the policy conditions and File & Use document are all at variance with each other and showing different provisions regarding survival benefits payable.

1. As per File & Use documents submitted to IRDAI in respect of the above said policy, it is mentioned as;

OPTION A	% OF FACE AMOUNT PAYABLE
On the policy anniversary at which the named child is aged 15 years age last birthday or on the policy anniversary falling six years before the maturity	20%
On the policy anniversary at which the named child is aged 17 years age last birthday or on the policy anniversary falling four years before the maturity	30%
On the policy anniversary at which the named child is aged 20 years age last birthday or on the policy anniversary falling one year before the maturity	50%

These terms are poorly defined and contradictory in themselves.

2. As per the Policy conditions, the details of payment are as under;

<u>Survival benefit payable</u>	<u>Face Amount</u>
8 years prior to maturity	20%
4 years prior to maturity	30%
2 years prior to maturity	50%
On the date of maturity	Total Guaranteed Additions

IO/BNG/A/LI/0192/2022-23

#19/19, जीवन सौधा बिल्डिंग, भूतल, 24 मैन, जे. पि. नगर 1 फेस, बेंगलूर - 560 078

#19/19, Jeevan Soudha Building, Ground Floor, 24th Main, J. P. Nagar 1st Phase, Bengaluru - 560 078





बीमा लोकपाल कार्यालय

Office of the Insurance Ombudsman (Karnataka)

3. As per the Benefit Illustration, the details are as under;

<u>Child's Age</u>	<u>Payouts</u>
15 years	Rs.40600/-
17 years	Rs.60900/-
20 years	Rs.101500/-
21 years	Rs.182700/-

This Forum observes serious deficiency of service on the part of the RI in construction of the Policy bond and sales literature. Moreover, even though 13 years have passed since issue of this policy, no corrective action has been taken by the RI nor have correct details been provided/intimated to the policy holder at any time before the complaint was lodged. Since the policy holder has paid the premium as per the policy bond, the survival benefit should also be payable as per the said policy terms and conditions.

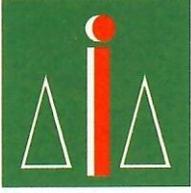
The details of payment made by the RI is as under;

<u>Survival benefit payable as per the</u> <u>Policy terms and conditions</u>	<u>Paid on</u>
16.01.2016	17.01.2018
16.01.2020	12.08.2020
16.01.2022	NOT PAID
16.01.2024	NOT DUE

It is observed that there was a delay in settlement of 1st & 2nd Survival Benefit and 3rd SB has not been paid by the RI though it became due on 16.01.2022. The contract of insurance is an agreement between proposer and the insurer wherein both parties to the contract accept to abide by the express terms and conditions of the contract and it is incumbent upon the parties to the contract to discharge their respective part of contractual obligations in performance of the contract. The privilege, terms and conditions are specifically and expressly stipulated and agreed by both the parties for a lawfully concluded contract. Hence the complainant and insurer are bound by express terms and conditions of the policy document received by the complainant. Thus both the parties are bound by terms and conditions of the contract of insurance under the policy.

IO/BNG/A/LI/0192/2022-23





बीमा लोकपाल कार्यालय

Office of the Insurance Ombudsman (Karnataka)

Further the Forum relies on Hon'ble Supreme Court Judgement of Civil Appeal No. 1557 of 2004 in case of Export Credit Guaranteed Corporation India Ltd., vs M/s Garg Sons International on 17th January, 2013, has inter-alia that

"It is a settled legal proposition that while construing the terms of a contract of insurance, the words used therein must be given paramount importance, and it is not open for the Court to add, delete or substitute any words".

Hence, the Forum advises the RI to make the survival benefit payments to the Complainant as per the policy terms and conditions mentioned in the policy document and interest for delayed settlement of survival benefits at the prescribed rate, as defined under Rule 14 (2) (v) of IRDAI Policyholders' Protection Regulations Rules 2017.

The Forum advises the Respondent Insurer to inform all policyholders under this plan who have been similarly issued wrong policies and take corrective action immediately.

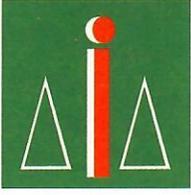
AWARD

Taking into account the facts & circumstances of the case and the records made available & the personal submissions made by the parties at the hearing, the Forum has observed that there is a delay in settlement of 2 survival benefits by the RI & third survival benefit which become already fallen due has not been paid as per the terms and conditions of the policy. The Forum finds serious deficiency of service on the part of the Respondent Insurer in construction of the said policy document and sales literature. The Forum advises the RI to make the survival benefits payments as per the terms and conditions printed in the policy document and also the interest for delayed settlement of survival benefits at the prescribed rate, as defined under Rule 14 (2) (v) of IRDAI Policyholders' Protection Regulations Rules 2017. The complaint is ALLOWED.

Dated at Bengaluru on this 9th day of Dec, 2022.

(VIPIN ANAND)
INSURANCE OMBUDSMAN
FOR THE STATE OF KARNATAKA





बीमा लोकपाल कार्यालय Office of the Insurance Ombudsman (Karnataka)

Compliance of Award:

The attention of the Complainant and the Insurer is hereby invited to the following provisions of Insurance Ombudsman Rules, 2017:

- The Complainant shall submit all requirements/Documents required for settlement of award within 15 days of receipt of the award to the Respondent Insurer.
- According to Rule 17(6) of the Insurance Ombudsman Rules, 2017, the insurer shall comply with the Award within 30 days of the receipt of the award and intimate compliance of the same to the Ombudsman.

Copy to:

Mr. Dileep Kumar G Jain, Shettar Buildings, Hirepeth 1 st Cross, HUBLI – 580028. Dharwad Dist.	The Manager, PNB Metlife India Insurance Co., Ltd., 1 st Floor, Techniplex -1, Techniplex Complex, Opp: Veer Savarkar Flyover, Goregaon (west), MUMBAI – 400062.
---	---





बीमा लोकपाल कार्यालय

Office of the Insurance Ombudsman (Karnataka)

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF KARNATAKA

(UNDER RULE NO: 16/17 of THE INSURANCE OMBUDSMAN RULES, 2017)

OMBUDSMAN – SHRI VIPIN ANAND

In the Matter of Mr.Praveen Kumar K.R.V/sLIC of India

Complaint No: BNG--L--029--2223-0335dt 13.12.2022

Award No: IO/BNG/A/LI/0219/2022-23

The Complaint emanated from the non-receipt of Survival Benefit of Rs12000/- due on 28.3.2018 by the complainant for his policy no.662182406. On contacting the LIC Branch Office, Davanagere, he was informed that the same has been paid by LIC of India, Branch Office Davanagere, vide cheque no.415592 dated 31.3.2018. The same cheque has been encashed on 11.06.2018. The complainant produced his bank account statement details for the period 1.6.2018 to 30.6.2018 of his State Bank of India account.

The grievance cell of Insurer replied that it will take some time for them to collect the encashment bank details, from their Union Bank of India, as their account with Corporation Bank has been merged with Union Bank of India.

Hence the Complainant approached this Forum, for the relief after waiting for two months and no further reply from Insurer. The complaint was registered.

On the intervention of Forum, and regular follow up, the Insurer did investigation and found that the cheque was actually encashed by a wrong person with the same name, whose address was of the same residential colony. The Insurer expressed regret in the delay in searching the same as it involved transaction of merged bank involving Syndicate Bank and Canara Bank. The Branch Office of Insurer has also successfully recovered the amount back from the customer on 23.12.2022 through cheque, which has been credited to Insurer's, LIC of India, bankaccount on 27.12.2022.

The Insurer has confirmed having made the payment of Rs12000/- towards Survival Benefit due 2018 to the correct person, the complainant, Mr Praveen Kumar K.R. through Transaction no.71459 dated 27.12.2022. Further the Insurer also paid the Interest as per Policyholders'Protection Rules2017, for the period of delay amounting to Rs3612/- vide Transaction no. 73340 dated 27.12.2022.

The complainant also vide his mail dated 29.12.2022, confirmed that he has received his Survival Benefit amount of Rs12000/- and Interest from 2018 has been credited to his bank account on 27.12.2022 and requested for closure of his complaint.





बीमा लोकपाल कार्यालय

Office of the Insurance Ombudsman (Karnataka)

AWARD

Taking into account the facts and circumstances of the case, and the records made available, upon mediation by the forum, the Insurer has reviewed the case and made the Survival Benefit payment of Rs.12000/- with Interest Rs3612/- as per Policyholders'Protection Rules 2017. The complainant has confirmed the receipt of the same. Since both the parties have concurred with this settlement, the complaint is treated as resolved and closed.

The Complaint is resolved and closed through mediation.

Compliance of Award

Attention of the Insurer is hereby invited to upload the compliance of this award in the CMS module provided for complaints registered at this Forum.

Dated at Bengaluru on the 29th day of December 2022.



(VIPIN ANAND)

INSURANCE OMBUDSMAN
FOR THE STATE OF KARNATAKA

Copies to –

Mr. Praveen Kumar K.R.
No.2000/67, 1ST Floor, 1ST Main,12th Cross,
Taralabalu Layout, Davanagere
Karnataka – 577005.

The Manager (Claims)
LIC of India, Divisional Office,
Jeevan Prakash
GopalaGowda Extension
Shimoga - 577205