

**PROCEEDINGS BEFORE
THE INSURANCE OMBUDSMAN, STATE OF ODISHA
(UNDER RULE NO: 16(1)/17of
THE INSURANCE OMBUDSMAN RULES, 2017)
OMBUDSMAN – Shri Suresh Chandra Panda**

**Case of (SMT.SHILLA SWAINvs. LIFE INSURANCE CORPORATION OF INDIA, CUTTACK.)
COMPLAINT REF: NO: BHU-L-029-2122-0390
AWARD NO: BHU-L-2021-2022-0134**

1.	Name & Address of the Complainant	MRS.SHILLA SWAIN, W/O- LATE.SANTOSH KU SWAIN QR NO.GHC/107, MADHUBAN, PO-PARADIP-754142	
2.	Policy No: Type of Policy Commencement of Policy, P-Term S.A /Premium/Payment-Mode	589850331 Life-J.Tarangwith profit 28.03.2008 / 10-10 200000/ 22,211.00/YLY	589850322 Life-J.Tarang - with Profit 28.03.2008 / 10-10 200,000/ 22,211.00/YLY
3.	Name of the insured Name of the policyholder	GOURAV PR. SWAIN SANTOSH KU SWAIN,LP	SHAKTI PR.SWAIN SANTOSH KU SWAIN,LP
4.	Name of the insurer	LIC OF INDIA, CUTTACK DIVISION	
5.	Date of Repudiation	N.A	
6.	Reason for repudiation	N.A	
7.	Date of admissionof the Complaint	26.11.2021	
8.	Nature of complaint	SURVIVAL BENEFIT(MONEY BACK NOT PAID)	
9.	Amount of Claim	S.B.Claim for 03/2020 and 03/2021 dues	
10.	Date of Partial Settlement	Bonus paid on maturity of the policy.	
11.	Amount of relief sought	S.B.Claim for 03/2020 and 03/2021 dues with interest	
12.	Complaint registered under Rule no: of I O Rules	Rule 13 of IO Rules	
13.	Date of hearing/place	05.01.2022/Bhubaneswar	
14.	Representation at the hearing		
	a) For the Complainant	Smt. .Shilla Swain.	
	b) For the insurer	Sujata Naik,AO,Claims	
15.	Complaint how disposed	Under Insurance Ombudsman Rule 17.	
16.	Date of Award/Order	05.01.2022	

17) Brief Facts of the Case- Smt. Shilla Swain, W/O- Late Santosh Kumar Swain, Life Proposer(herein after referred to as the complainant)had filed a complaint against Life Insurance Corporation of India, Cuttack Division(herein after referred to as the respondent Insurance company) alleging non-payment of Survival Benefit on the above two(2) policies as

per terms and conditions of the policy document. The complaint falls within the scope of Insurance Ombudsman Rules,2017 and so it was registered.

18) Cause of complaint: Non-payment of Survival benefit from the year 2020 under the policy.
Complainant's argument: Complainant argued that her deceased husband Santosh Kumar Swain was the Life proposer in the above two policies. The life Proposer died on 22.08.2008. As per policy terms and conditions endorsement was made on the policy document for PWB(Premium waiver benefit).There was a delay of six month by the respondent insurer while making maturity payment(bonus) under both the policies. As per terms and conditions of the policies Survival payment were started for the due 03/2018 under both the policies. But the respondent insurer stopped paying further Survival Benefit from 03/2020 without any valid reason. On representation to the grievance officer vide letters dated.24.03.2021&12.08.2021 no satisfactory reply was received. Hence, being aggrieved and finding no other alternatives the complainant approached this forum for redressal.

Insurer's Argument-: The Insurer submitted that they have paid Survival benefit dues for 03/2018 and 03/2019 under both the policy as per rule. After that some technical error crept in due to which they could not process the Survival benefit for the due 03/2020 and 03/2021. Now the respondent insurer has sorted out the error and payment for SB dues 03/2020 and 03/2021 under both the policies released on 24.12.2021 through NEFT.

19) Reason for Registration of Complaint: - scope of the Insurance Ombudsman Rules 2017.
Non-payment of Survival benefit

20) The following documents were placed for perusal.

- a) Photo copies of policy document(first page only)
- b)Copy of representation made to the forum.
- c) PWB endorsement
- c) Death certificate copy.

21) Result of hearing with both parties(Observations & Conclusion):-On perusal of all the papers, documents submitted and submissions made by both the parties it is observed that during the pendency of the complaint the respondent insurer has released the Survival benefit for the due 03/2020 and 03/2021. However, the Forum observed considerable delay by the insurer in releasing the payment for no fault of the complainant. Hence the complainant is entitled for penal interest for the delayed period of payment.

AWARD

Taking into account the facts & circumstances of the case and the submissions made by both the parties and the acknowledgement during the course of hearing, the insurer is directed to pay IRDA approved penal interest for the delayed period of payment for the year 2020 and 2021.

The complaint is allowed accordingly.

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

a. According to Rule 17(6) of the Insurance Ombudsman Rule 2017, the Insurer shall comply with the Award within 30 days of the receipt of the award and shall intimate the compliance to the Ombudsman.

b. As per rule 17(8) of the said rule, the award of the Insurance Ombudsman shall be binding on the Insurers.

Dated at Bhubaneswar on 5th January 2022.

SURESH CHANDRA PANDA
INSURANCE OMBUDSMAN
FOR THE STATE OF ODISHA