

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

**OMBUDSMAN – NEERJA SHAH**

**In the Matter of MR. RAGHAVENDRA. M.S. V/s LIFE INSURANCE CORPORATION OF INDIA**

Complaint No: BNG--L—019--1920– 0686, & 0687 (2019-2020)

Award No: IO/BNG/A/LI/ 0001, & 0002 /2020--2021

1.	Name & Address of the Complainant	Mr. M.S. Raghavendra # 6, 'Shyam Krupa' 2 <sup>nd</sup> Cross, 1 <sup>st</sup> Main, Srinidhi Layout, Konanakunte Bangalore – 560062 (M):9845551903	
	Policy No:	614612179 (1)	617146265 (2)
	Type of Policy:	Life - Annuity	Life - Annuity
	Name of the Policy:	LIC's New Jeevan Suraksha (Plan – 147)	LIC's New Jeevan Nidhi (Plan 812)
	Commencement of Policy/ Policy Period/PPT	08/01/2004	26/10/2013
	Mode/Premium Amount	16 Years Yearly / ₹.10,000/-	06 Years Yearly / ₹. 1,19,884/-
3.	Name of the Insured Name of the Policyholder	Mr. M.S. Raghavendra	
4.	Name of the Respondent Insurer	LIC Of India – Bangalore DO 1	
	Date of Repudiation/ Rejection	NIL	
6.	Reason for repudiation/ Rejection	NIL	
7.	Date of receipt of Annexure VI-A	06/03/2020	
8.	Nature of complaint	Non Payment of annuity in time under both policies.	
9.	Amount of claim	NIL	
10.	Date of Partial Settlement	NIL	

11.	Amount of relief sought	NIL
12.	Complaint registered under Rule No	13(1)(a) of Insurance Ombudsman Rules, 2017
13.	Date of hearing/place	NIL
14.	Representation at the hearing	
	a) For the Complainant	NIL
	b) For the Respondent Insurer	NIL
15.	Complaint how disposed	Allowed
16.	Date of Award/Order	05/06/2020

**17. Brief Facts of the Case:** The complaint arose due to 'Non-Payment' of annuities by the Respondent Insurer (RI) under the said policies held by the Complainant. Though he approached the Grievance Redressal Officer (G.R.O.) of the Respondent Insurer (RI) there was no response from them. Aggrieved he has approached this forum.

**18. Cause of Complaint: -**

**a. Complainant's argument:**

The Complainant vide his letter dated 05/03/2020 stated that he is the policy holder and Complainant under both the annuity policies. The said policies vested for payment of annuities in the month of February 2020 & November 2019 respectively. Though the RI sent 'SMS' to the Complainant to submit the annuity option forms, the same was not received by him. When he complained to 'LIC- Customer Zone', even before he could complete the conversation on his complaint, he received an 'SMS' stating that his complaint was resolved. Further when he sought details about the pension options, amount of pension, details of secondary annuitant, name of the nominee ...etc, no details were forthcoming from the RI. Finally in spite of submitting the annuity option forms to the branch office of the RI, the annuity did not commence from the said dates. The Complainant further stated that the Hon. Prime Minister vision of 'Digital India' is not regarded by the RI and the poor service of the RI, is

un-acceptable. Hence, he has approached this Forum seeking the payment of all outstanding annuities together with interest.

**b. Respondent Insurer's argument:**

The RI vide their SCN dated 18/03/2020 admitted to having issued the said policies. The annuity option forms were sent to the Complainant and he has received the same. In return, the Complainant has exercised 'Option -J' for both the policies and returned to the branch office of the RI. However the same was misplaced and as such the annuity record could not be ratified in their systems leading to 'Non-Payment' of annuities in time under both the policies. However, the RI later traced the 'Annuity Option Forms' and ratified the same on 12/03/2020 and released the out-standing annuities from the respective due dates together with applicable penal interest.

As the issue is resolved, the RI prayed for passing of an appropriate order.

**19. Reason for Registration of complaint: -**

The complaint falls within the scope of Insurance Ombudsman Rules, 2017 under Sec 13(1)(a) and hence, it was registered.

**20. The following documents were placed for perusal: -**

- a. Complaint along with enclosures,
- b. Respondent Insurer's SCN along with enclosures and
- c. Consent of the Complainant in Annexure VIA & Respondent Insurer in VII A.

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

The issue to be decided by the Forum is whether there is delay in 'Non-Payment of Annuities under both the policies'.

The Forum notes that a personal hearing could not be arranged due to prevailing situation of 'COVID 19'. Fair and equitable opportunity has been given to both parties to the dispute

and all relevant documents have been perused by the Forum. Keeping the issue pending for want of personal hearing under peculiar circumstances will further delay the justice to the Complainant.

On perusal of records available with the Forum, it is observed that the Complainant availed the said annuity policies from the RI and has paid all the premiums up to the date of vesting. The said policies vested for payment of annuities on the due dates of January 2020 & October 2019. Accordingly, the RI sent the annuity intimations to the Complainant seeking his preferences to receive the annuity under both the policies. In response to their 'Annuity Intimations' the Complainant exercised 'Option -J' under monthly mode of payment of annuity and sent the same to the RI for further processing.

But the RI, misplaced the said annuity option forms and hence, the annuity records could not be ratified in their systems and hence, the Complainant was receiving 'SMS' to submit fresh annuity forms. However, the RI traced the annuity option forms and ratified the same on 12/03/2020 and paid the annuity together with penal interest applicable and credited the same to the bank account of the Complainant through 'NEFT'. To that extent, the Forum notes that the Complaint is 'Resolved'.

However, as the Complainant has exercised 'Option- J' under both the policies, the Complainant vide his letter dated 18/11/2019, has informed the details of 2<sup>nd</sup> annuitant and also the name of the nominee to receive the policy proceeds thereafter as soon as the contingency arises.

The RI is directed to incorporate all the information as required by the Complainant, in their systems as per their office procedure and inform the Complainant accordingly.

AWARD

Taking into account, the facts & circumstances of the case, the RI is directed to incorporate all the information as requirement as required by the Complainant in their systems as per their office procedure and inform the Complainant accordingly.

Hence, the complaint is 'Allowed'.

**22. The attention of the Complainant and the Insurer is hereby invited to the following provisions of**

**Insurance Ombudsman Rules, 2017:**

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

**Dated at Bengaluru on 05<sup>th</sup> day of June 2020**

(NEERJA SHAH)  
INSURANCE OMBUDSMAN  
FOR THE STATE OF KARNATAKA

**PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF KARNATAKA**

**(UNDER RULE NO: 16/17 of THE INSURANCE OMBUDSMAN RULES, 2017)**  
**OMBUDSMAN – NEERJA SHAH**  
**In the Matter of MR. ASHISH DIXIT V/s HDFC STANDARD LIFE INSURANCE COMPANY LIMITED**

Complaint No: BNG--L—019--1920– 0638 (2019-2020)

Award No: IO/BNG/A/LI/ 0004/2020--2021

1.	Name & Address of the Complainant	Mr. Ashish Dixit # T2, Imperial Solace Apartment Green Glen Layout, Bellandur Bangalore -560103 (M): 7760849761 E- Mail: ashishdixit046@gmail.com
	Policy No: Type of Policy: Name of the Policy: Commencement of Policy/ Policy Period/PPT Mode/Premium Amount	-- -- -- -- Single Premium / ₹.70,075/-
3.	Name of the Insured Name of the Policyholder	Mr. Devendra Kumar Dixit (D.L.A.) H.D.F.C. Standard Life Insurance Company Ltd
4.	Name of the Respondent Insurer	HDFC Life Insurance Company Ltd
	Date of Repudiation/ Rejection	08/01/2020
6.	Reason for repudiation/ Rejection	Policy Already Expired, Hence Policy documents not issued
7.	Date of receipt of Annexure VI-A	06/03/2020
8.	Nature of complaint	Policy documents not issued to the Complainant.
9.	Amount of claim	NIL
10.	Date of Partial Settlement	NIL
11.	Amount of relief sought	NIL

12.	Complaint registered under Rule No	13(1)(f) of Insurance Ombudsman Rules, 2017
13.	Date of hearing/place	NIL
14.	Representation at the hearing	
	a) For the Complainant	NIL
	b) For the Respondent Insurer	NIL
15.	Complaint how disposed	Allowed
16.	Date of Award/Order	05/06/2020

**17. Brief Facts of the Case:**

The complaint arose due to 'non-issuance' of the insurance policy by the Respondent Insurer (RI) on the life of the father of the Complainant. Though he approached the Grievance Redressal Officer (G.R.O.) of the Respondent Insurer (RI) there was no response from them. Aggrieved he has approached this forum.

**18. Cause of Complaint: -**

**a. Complainant's argument:**

The Complainant vide his letter dated 20/10/2020 stated that his father availed 'Loan Against Property' from 'M/S H.D.B. Financial Services'. The said financial institution had an insurance arrangement from M/S H.D.F.C. Life Insurance Company. The L.A. (Life Assured) paid a 'one time Premium' of ₹.70,075/- The L.A. expired on 28/08/2019. When the Complainant approached the RI for policy documents, they RI did not issue the policy documents claiming that policy had expired and that too without giving any proof of the said policy documents. Hence, he has approached this Forum to help him receive the policy documents.

**b. Respondent Insurer's argument:**

**S.C.N Not received from the RI.**

**19. Reason for Registration of complaint: -**

The complaint falls within the scope of Insurance Ombudsman Rules, 2017 under Sec 13(1)(f) and hence, it was registered.

**20. The following documents were placed for perusal: -**

- d. Complaint along with enclosures,
- e. Respondent Insurer's SCN along with enclosures and
- f. Consent of the Complainant in Annexure VIA & Respondent Insurer in VII A.

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

The issue to be decided by the Forum is whether the Complainant is eligible for the copy of the policy documents as demanded by him.

The Forum notes that a personal hearing could not be arranged to hear the RI's version of the said complaint in view of the peculiar present circumstances of 'COVID 19'. Fair and equitable opportunity has been given to both parties to the dispute and all relevant documents have been perused by the Forum. Keeping the issue pending for want of personal hearing under present peculiar circumstances will further delay the justice to the Complainant.

On perusal of the documents available before the Forum, it is observed the D.L.A. availed housing loan facility of ₹. 46,80,075/- from M/S. H.D.B. Financial Services. The said financial institution had an insurance arrangement from M/S H.D.F.C. Life Insurance Company for collateral security purposes. The D.L.A. submitted 'Member Enrolment Form – SMQ dated 31/08/2016 which is a proposal form cum health declaration for availing insurance policy. In the proposal form it is mentioned that the Sum Assured is ₹.46,80,075/- and to cover the said sum assured the premium to be paid is ₹.70,075/- and the policy term is 2 years.



It is not clear whether the RI has issued the said policy or not and if not issued the reasons therefor. However, the Forum directs the RI to issue 'copy of the said policy' to the Complainant as per Rule 13(1)(f) of the Ombudsman Rules 2017.

AWARD

Taking into account, the facts & circumstances of the case, the complaint is 'Allowed'.

**Dated at Bengaluru on 5<sup>th</sup> day of June 2020**

(NEERJA SHAH)  
INSURANCE OMBUDSMAN  
FOR THE STATE OF KARNATAKA

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

**OMBUDSMAN – NEERJA SHAH**

Case of: MR. MAHESH. K.S. V/S LIFE INSURANCE CORPORATION OF INDIA

Complaint No: BNG--L--029--2021--0013

**Award No: IO/BNG/A/LI/0003/2020-2021**

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The Complainant vide his letter dated 17/03/2020 stated that he availed LIC's New Jeevan Dhara/New Jeevan Suraksha Policy bearing number 722620895 on 28/03/2003 for a period of 17 years by paying an annual premium of ₹ 10,003/-. The said policy vested on 28/03/2020. The RI sent the necessary annuity option letter to the Complainant on 15/07/2019 seeking his preference of annuity option and accordingly the Complainant exercised Option 'F' wherein he was supposed to get Yearly annuity of ₹ 21,524/-. However, the RI sent 2<sup>nd</sup> annuity option letter wherein the yearly annuity

under the said Option 'F' was only ₹ 17,917/-. Though the Complainant sought a clarification from the RI, with regard to reduction in annuity, no clarification was forthcoming from the RI. Having been 'Mis-Led', the Complainant surrendered the said policy on 25/02/2020 (which was before the vesting date). Though the Complainant visited the RI office several times, the 'Surrender Amount' was not credited to his bank account. Hence, he sought the Forum's help in the settlement of surrender value under his policy.

The RI has confirmed that though they received the surrender request from the Complainant on 25/02/2020, they could not process the same due to COVID Pandemic situation. However they have settled the surrender value of ₹ 3,17,451/- and credited the same to Complainants bank account on 26/03/2020.

The Complainant vide his letter dated 27/05/2020 stated that the RI has credited the surrender value under his policy on 26/03/2020 and that the matter has been resolved, the Complainant was withdrawing the said complaint and requested the Forum to close the said case.

**AWARD**

**Taking into account the facts and circumstances of the case, in view of the satisfactory resolution of the same, the said complaint stands 'Closed and Disposed Off'.**

Dated at Bangalore on 3<sup>rd</sup> Day of June 2020

**(NEERJA SHAH)**  
INSURANCE OMBUDSMAN  
FOR THE STATE OF KARNATAKA

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

**OMBUDSMAN –NEERJA SHAH**

**In the Matter of MRS. JAYALAKSHMI MADHAVAN V/s RELIANCE NIPPON LIIFE INSURANCE  
COMPANY LIMITED**

**Complaint No: BNG--L--036--1920– 0689**

**Award No: IO/BNG/A/LI/0009/2020-2021**

1. The Complainant availed Reliance Nippon Life Increasing Money Back Plan bearing policy number 52983138 from Respondent Insurer (hereinafter referred as RI) in June, 2017.
2. The Complainant submitted request for cancellation of policy, alleging mis-sale after issuance of policy.
3. Aggrieved with the non-settlement of her cancellation request by RI, the Complainant approached this Forum and the Complaint was initiated for further process.
4. RI vide their letter dt. 17.6.2020 submitted that they are ready to redress the grievance raised by the Complainant for conversion into single premium policy.
5. The Complainant communicated to Forum vide email dated 19.6.2020 that she has accepted the offer for conversion into single premium which offer given by RI.
6. As both the parties agreed to settle the matter amicably and submitted their consents to the Forum, **Complaint is treated as closed.**

**AWARD**

Taking into account, the facts & circumstances of the case, and the submissions made by both the parties by mails, the complaint is '**RESOLVED**'.

**The attention of the Complainant and the Insurer is hereby invited to the following provisions of**

**Insurance Ombudsman Rules, 2017:**

- a. **The Complainant shall submit all requirements/Documents required for settlement of award within 15 days of receipt of the award to the Respondent**

**Insurer.**

- b. **According to Rule 17(6) of the Insurance Ombudsman Rules, 2017, the insurer shall comply with the award within thirty days of the receipt of the award and intimate compliance of the same to the Ombudsman.**

Dated at **Bengaluru** on **26<sup>th</sup> Day, June, 2020.**

**(NEERJA SHAH)**  
INSURANCE OMBUDSMAN  
FOR THE STATE OF KARNATAKA

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

**OMBUDSMAN –NEERJA SHAH**  
**In the Matter of Ms. C. MEENAKSHI V/s ADITYA BIRLA SUN LIIFE INSURANCE COMPANY**  
**LIMITED**

**Complaint No: BNG--L--009--1920– 0640**

**Award No: IO/BNG/A/LI/0010/2020-2021**

1.The Complainant availed ABSLI Fortune Elite Plan from Aditya Birla Sun Life Insurance Co. Ltd. In bearing policy number 007944472 from Respondent Insurer (hereinafter referred as RI) in August, 2019.

2.The Complainant submitted request for cancellation of policy - alleging mis-sale after issuance of policy.

3.Aggrieved with the non-settlement of her cancellation request by RI, the Complainant approached this Forum and the Complaint was initiated for further process and case was posted for hearing on 7.7.2020.

4.RI vide their email dt. 23.06.2020 informed that the complainant has voluntarily signed the application on 2.6.20. RI has issued single pay policy on 15.6.2020.

5.The Complainant communicated to Forum vide email dated 25.06.2020 that she has accepted the conversion into single premium made by RI.

As both the parties agreed in settlement the matter amicably and submitted their consent to the Forum, **Complaint is treated as closed.**

**AWARD**

Taking into account, the facts & circumstances of the case, and the submissions made by both the parties by mails, the complaint is '**RESOLVED**'.

Dated at **Bengaluru on 30<sup>th</sup> Day, June, 2020.**

**(NEERJA SHAH)**  
INSURANCE OMBUDSMAN  
FOR THE STATE OF KARNATAKA

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

**OMBUDSMAN – NEERJA SHAH**

In the Matter of Mrs REKHA M C V/s RELIANCE NIPPON LIFE INSURANCE CO LTD  
Complaint No: BNG-L-036-1920-0645 & 0646  
**Award No: IO/BNG/A/LI/0007 & 0008/2020-2021**

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1. The Complainant availed Reliance Nippon Life Increasing Income Insurance Plan(RNLIIP), 53336873 for herself and RNLIIP,53339667 for her husband by paying premium ₹.30,000/- and ₹.16,566/- respectively for both the policies from Respondent Insurer (hereinafter referred as RI) in October and November 2018.
2. The Complainant represented to RI vide her letter dated 12.12.2019 that she was informed by the officials of RI that the above policy is annual premium payment policy. She requested them to cancel the same and refund the premiums paid by her as she is not aware that policy is renewal premium payment policy and she is not in a position to pay such huge premiums every year. Aggrieved with the non-settlement of her request by RI, the Complainant approached this Forum and the Complaint was initiated for further process.
3. The RI vide their email dated 28.02.2020 have now confirmed to the Forum that they are ready to settle the matter amicably by refunding the premiums.
4. As the RI has come forward to settle the matter amicably by refunding the premiums to the complainant, Forum treats the complaint as closed and disposed off.

*Dated at Bengaluru on 26<sup>th</sup> June, 2020*

**Compliance of Award:**

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

b. According to Rule 17(6) of the Insurance Ombudsman Rules, 2017, the insurer shall comply with the award within thirty days of the receipt of the award and intimate compliance of the same to the Ombudsman.

**(NEERJA SHAH)**  
INSURANCE OMBUDSMAN  
FOR THE STATE OF KARNATAKA

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF ODISHA  
(UNDER RULE NO: 16(1)/17 of  
THE INSURANCE OMBUDSMAN RULES, 2017)  
OMBUDSMAN – SHRI SURESH CHANDRA PANDA  
CASE OF (Smt. Trupti Swain –Vs-LIC of India, Bhubaneswar)  
COMPLAINT REF: NO: BHU-H-029-1920-0384  
AWARD NO: IO/BHU/A/LI/ 003 /2020-2021

1.	Name & Address of the Complainant	Smt. Trupti Swain, N-4, 260 IRC Village Nayapalli, Bhubaneswar, 751015
2.	Policy No: Type of Policy Duration of policy/Policy period	588129614 Life 27.07.2007
3.	Name of the insured Name of the policyholder	Smt. Trupti Swain ----do-----
4.	Name of the insurer	LIC of India, Bhubaneswar
5.	Date of Repudiation	NA
6.	Reason for repudiation	NA
7.	Date of admission of the Complaint	31.12.2019
8.	Nature of complaint	Less payment of surrender value
9.	Amount of Claim	Rs.29151/-
10.	Date of Partial Settlement	NA
11.	Amount of relief sought	Rs.29151/-
12.	Complaint registered under Rule no: of Insurance Ombudsman Rules	13(1)(b)
13.	Date of hearing/place	10.06.2020 / Bhubaneswar
14.	Representation at the hearing	
	a) For the Complainant	Prakash Kumar Swain
	b) For the insurer	Daitary Naik
15.	Complaint how disposed	Under Insurance Ombudsman Rule 17.
16.	Date of Award/Order	10.06.2020

17) Brief Facts of the Case:- The above said policy was a pension policy which was purchased by the LA on 27.07.2007. This was a unit linked policy deferred annuity

policy which matured on 27.07.2017. As per the terms and conditions of the policy LA would be getting pension after the completion of deferment period. Thus the LA was receiving pension since 27.07.2017 @ Rs.2876/- (Quarterly). But owing to some financial constraints resulting out of medical issues, she applied for surrender of the policy on compassion ground. At the time of her application surrender value of the policy was Rs.182126/-. But she was paid only Rs.152975/- as surrender value by the insurer which was less by Rs.29151/-. Hence, she approached this forum for redressal. The insurer on the other hand submitted SCN stating that originally there is no surrender value of this policy after vesting. But as per recent IRDA guidelines, surrender value can be paid after vesting if annuitant is diagnosed as suffering from any critical illness or if the annuitant is shifted to another country permanently. In the instant case the LA applied for payment of surrender value as she was suffering from cancer. The surrender value amount paid is correct. Rs.182126/- was not the surrender value rather it was the purchase price of the said policy. Surrender value is always a proportion of the purchase price. So, the allegation made by the complainant is not tenable.

18) Cause of Complaint:

a) Complainant's argument:- The complainant stated that she purchased a Market Plus policy from the insurer on 27.07.2007 from the present insurer. This was a unit linked policy deferred annuity policy which matured on 27.07.2017. As per the terms and conditions of the policy LA would be getting pension after the completion of deferment period. Thus the LA was receiving pension since 27.07.2017 @ Rs.2876/- (Quarterly). But owing to some financial constraints resulting out of medical issues, she applied for surrender of the policy on compassion ground. At the time of her application surrender value of the policy was Rs.182126/-. But she was paid only Rs.152975/- as surrender value by the insurer which was less by Rs.29151/-.

b) Insurers' argument:- The insurer on the other hand stated that originally there is no surrender value of this policy after vesting. But as per recent IRDA guidelines, surrender value can be paid after vesting if annuitant is diagnosed as suffering from any critical illness or if the annuitant is shifted to another country permanently. In the instant case the LA applied for payment of surrender value as she was suffering from cancer. The surrender value amount paid is correct. Rs.182126/- was not the surrender value rather it was the purchase price of the said policy. Surrender value is always a proportion of the purchase price. So, the allegation made by the complainant is not tenable

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

This is a complaint against less payment of surrender value by Insurer.

20) The following documents were placed for perusal.

a) Photo copies of proposal/policy document.

b) Photo copy of complaint letter and rejection letter by Insurer.



21) Result of hearing with both parties (Observations & Conclusion):-After going through the submissions and arguments of both the parties it was observed that the Life Assured had purchased a unit linked policy in which the maturity value of Rs. 182126/- was invested in purchasing a pension policy and was receiving pension amount of Rs.2873/- per quarter. The annuitant requested to the insurer to surrender the above said policy by submitting all requirements for her treatment for cancer. The complainant alleged that she received less surrender value than the maturity value. But her allegation is not correct as an annuity policy has no maturity value. It can only be surrendered in certain special circumstances like for treatment of critical illness. The surrender value amount paid is correct. Rs.182126/- was not the surrender value rather it was the purchase price of the said policy. Surrender value is always a proportion of the purchase price. So, the allegation made by the complainant is not tenable. Hence, this forum is of the opinion that the complaint is treated as dismissed.

**AWARD**

**Taking into account the facts & circumstances of the case and the submissions made by both the parties during the course of hearing, the complaint is treated as dismissed.**

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. According to the said rule, the award of the Insurance Ombudsman shall be binding on the Insurers.
- c. As per the rule 17(8) of the said rules the award of Insurance Ombudsman shall be binding on the insurer.

Dated at Bhubaneswar on 10<sup>th</sup> June. 2020

SRI SURESH CHANDRA PANDA  
INSURANCE OMBUDSMAN  
FOR THE STATE OF ODISHA

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF ODISHA  
(UNDER RULE NO: 16(1)/17 of  
THE INSURANCE OMBUDSMAN RULES, 2017)  
OMBUDSMAN – SHRI SURESH CHANDRA PANDA  
CASE OF (Smt. Meena Barai –Vs-LIC of India,

Cuttack)

COMPLAINT REF: NO: BHU-L-029-1920-0453

AWARD NO: IO/BHU/A/LI/ 011 /2020-2021

1.	Name & Address of the Complainant	Mrs Meena Barai. W/O- Raj Mohapatra, Flat no. 408 4 <sup>th</sup> Floor, Subhadra Enclave, Palasuni, GGP Colony Bhubaneswar- 751010
2.	Policy No: Type of Policy Duration of policy/Policy period	587820027 & 599805263 Life 28.01.2011 & 03.05.2016
3.	Name of the insured Name of the policyholder	Mrs. Meena Barai ----do-----
4.	Name of the insurer	LIC of India, Cuttack
5.	Date of Repudiation	NA
6.	Reason for repudiation	NA
7.	Date of admission of the Complaint	14.02.2020
8.	Nature of complaint	Less payment of Surrender value
9.	Amount of Claim	Rs.169229/-
10.	Date of Partial Settlement	NA
11.	Amount of relief sought	Rs.169229/-
12.	Complaint registered under Rule no: of Insurance Ombudsman Rules	13(1)(b)
13.	Date of hearing/place	12.06.2020 / Bhubaneswar
14.	Representation at the hearing	
	c) For the Complainant	Meena Barai
	d) For the insurer	P.C Sahoo
15.	Complaint how disposed	Under Insurance Ombudsman Rule 17.
16.	Date of Award/Order	

17) Brief Facts of the Case:- The above mentioned policies were purchased by the complainant from the present insurer on different dates. After her retirement from service she did not want to continue the said policies. Hence she applied for surrender of the policies. But she had no idea that surrender value of the policies would be much less than what she had paid by way of premium. The total premium that she had paid against both the policies was Rs.395853/-. But she was paid Rs.226624/- only as the surrender value of both the policies. Hence, now she wants that either her policy is to be reinstated or she should be refunded the total premium that she had paid with interest.

The insurer, on the other hand submitted SCN stating that the complainant has submitted surrender application for the above 2 policies on 06.08.2019 along with the exit interview questionnaire. She has declared that she has understood the terms and conditions of surrender of a policy. Surrender value is always less than the premiums paid because life insurance is essentially a co-operative movement. Premium paid by the policyholders are pooled together and the balance of amount after paying the claims of those policyholders who have unfortunately died and meeting the management expenses etc is formed into a fund which is accumulated with interest. So, payment of surrender value is not always the refund of premiums paid by the policyholder.

18) Cause of Complaint:

a) Complainant's argument:- The complainant stated that the above mentioned policies were purchased by her from the present insurer in different dates. After her retirement from service she did not want to continue the said policies. Hence she applied for surrender of the policies. But she had no idea that surrender value of the policies would be much less than what she had paid by way of premium. Although she had signed in a questionnaire form submitted along with the surrender application, she was kept in dark regarding the surrender value. The total premium that she had paid against both the policies was Rs.395853/-. But he was paid Rs.226624/- only as the surrender value of both the policies. Hence, now she wants that either her policy is to be reinstated or she should be refunded the total premium that she had paid with interest.

b) Insurers' argument:- The insurer, on the other hand stated that the complainant has submitted surrender application for the above 2 policies on 06.08.2019 along with the exit interview questionnaire. She has declared that she has understood the terms and conditions of surrender of a policy. Surrender value is always less than the premiums paid because life insurance is essentially a co-operative movement. Premium paid by the policyholders are pooled together and the balance of amount after paying the claims of those policyholders who have unfortunately died and meeting the management expenses etc is formed into a fund which is accumulated with interest. So, payment of surrender value is not always the refund of premiums paid by the policyholder

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

This is a complaint against less payment of surrender value by Insurer.

20) The following documents were placed for perusal.

a) Photo copies of proposal/policy document.

b) Photo copy of complaint letter and rejection letter by Insurer.

21) Result of hearing with both parties (Observations & Conclusion):- After going through the arguments and submissions made by both the parties it was observed that, the complainant was fully aware regarding the surrender value of the policies prior to surrender. On 06.08.2019 she had submitted an undertaking that "she had understood the surrender value calculation fully and signing the discharge form after understanding the same." It is an usual practice of the insurer to conduct exit interview for every policy which is surrendered for any reason. Whatever allegation she has now made against the insurer is only the after thought as the amount was much less than what she had paid. Hence, this forum is of the opinion that the complaint is to be treated as dismissed.

**AWARD**

**Taking into account the facts & circumstances of the case and the submissions made by both the parties during the course of hearing, the complaint is treated as dismissed.**

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(7) the complainant shall be entitled to such interest at a rate per annum as specified in the regulations framed under the Insurance Regulatory and Development Authority of India Act 1999, from the date the claim ought to have been settled under the regulations, till the date of payment of the amount awarded by the Ombudsman.
  
- c. As per rule 17(8) of the said rules, the award of the Insurance Ombudsman shall be binding on the insurers.

Dated at Bhubaneswar on 17<sup>th</sup> June 2020

SURESH CHANDRA PANDA

INSURANCE OMBUDSMAN  
FOR THE STATE OF ODISHA

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF ODISHA  
(UNDER RULE NO: 16(1)/17 of THE INSURANCE OMBUDSMAN RULES, 2017)  
OMBUDSMAN – SHRI SURESH CHANDRA PANDA  
CASE OF (Sri K M Chandram Vs.- SBI Life Insurance co.ltd)  
COMPLAINT REF: NO: BHU-L-041-1920-0454  
AWARD NO: IO/BHU/A/LI/017 /2020-2021

1.	Name & Address of the Complainant	Mr. Killamstty Mutya Chandram, Plot no. 678 Sub plot no.9, Shree Jagannath Estate Baramunda Village, Bhubaneswar-751003
2.	Policy No: Type of Policy Duration of policy/Policy period	72200004404 Life 13.11.2018
3.	Name of the insured Name of the policyholder	Mr. K M Chandram ----do-----
4.	Name of the insurer	SBI Life Insurance Co. ltd
5.	Date of Repudiation	NA
6.	Reason for repudiation	NA
7.	Date of admission of the Complaint	13.02.2020
8.	Nature of complaint	Non-deduction of Premium through ECS
9.	Amount of Claim	Rs.1000000
10.	Date of Partial Settlement	NA
11.	Amount of relief sought	Rs.1000000/-
12.	Complaint registered under Rule no: of Insurance Ombudsman Rules	13(1)(f)
13.	Date of hearing/place	24.06.2020 / Bhubaneswar
14.	Representation at the hearing	
	e) For the Complainant	Mr. Killamstty Mutya Chandram,
	f) For the insurer	Pallavi Pattanaik
15.	Complaint how disposed	Under Insurance Ombudsman Rule 17.
16.	Date of Award/Order	24.06.2020

17) Brief Facts of the Case:- SBI Life Insurance co.ltd has a group insurance scheme for the internet banking customers of SBI Bank using YONO application. So the complainant had purchased such a policy on 13.11.2018, from the present insurer

through YONO application linked to his SB account of SBI Treasury branch Bhubaneswar. The entry age for the said policy was 51 years. As payment of premium of this policy was directly linked to his SB account in SBI Branch, he was maintaining sufficient balance in the account so that it is not dishonored. But unfortunately one day he noticed that auto renewal is deregistered. Immediately he contacted the nearest SBI life branch for resolution of the problem, but till date it could not be solved as a result of which the policy was lapsed for non-payment of renewal due on 13.11.2019. Hence, being aggrieved he approached this forum for redressal.

The insurer on the other hand submitted SCN stating that as per the scheme details of the plain which are a part of the purchase journey on the YONO application, the minimum and maximum age at entry (as on last birthday) are mentioned 18 years and 55 years respectively. As per the company records, the date of birth of the policyholder is 05.06.1963. So, on the renewal date i.e on 13.11.2019, the age of the customer was 56 years. Hence, the eligibility for the insurance cover automatically ceases on the policyholder reaching 56 years of age. Hence auto renewal was deregistered and premium not recovered.

18) Cause of Complaint:

a) Complainant's argument:- The complainant stated that he had purchased the above policy on 13.11.2018, from the present insurer through YONO application linked to his SB account of SBI Treasury branch Bhubaneswar. As payment of premium of this policy was directly linked to his SB account in SBI Branch, he was maintaining sufficient balance in the account so that it is not dishonored. But unfortunately one day he noticed that auto renewal is deregistered. Immediately he contacted the nearest SBI life branch for resolution of the problem, but till date it could not be solved as a result of which the policy was lapsed for non-payment of renewal due on 13.11.2019

b) Insurers' argument:- The insurer on the other hand stated that as per the scheme details of the plain which are a part of the purchase journey on the YONO application, the minimum and maximum age at entry (as on last birthday) are mentioned 18 years and 55 years respectively. As per the company records, the date of birth of the policyholder is 05.06.1963. So, on the renewal date i.e on 13.11.2019, the age of the customer was 56 years. Hence, the eligibility for the insurance cover automatically ceases on the policyholder reaching 56 years of age. Hence auto renewal was deregistered and premium not recovered.

19) Reason for Registration of Complaint: - scope of the Insurance Ombudsman Rules 2017. This is a complaint against non-deduction of renewal premium by Insurer.

20) The following documents were placed for perusal.

a) Photo copies of proposal/policy document.

b) Photo copy of complaint letter and rejection letter by Insurer.

21) Result of hearing with both parties (Observations & Conclusion):-After going through the arguments and submissions made by both the parties it was observed that, the policy in dispute was purchased by the complainant through online application. This was a group policy (Sampoorn Suraksha) in which Sum Assured was

Rs.1000000/-. This was a purely term insurance policy and as per the terms and conditions of the policy, if age is less or equal to 50 years SA would be 20 lakh and if it is more than 51 years then SA would be 10 lakh. But the minimum and maximum age at entry (as on last birthday) are mentioned as 18 years and 55 years respectively. Minimum policy term can be 1 year. As per the policy schedule LA's date of birth was 05.06.1963 and the policy commenced on 13.11.2018. As policyholder's age was 56 years on the next renewal date, the second premium was not accepted by the company and ECS was automatically deregistered. So the action of the company was strictly as per the terms and conditions of the policy. Hence, the forum is of the opinion that the complaint is to be treated as dismissed.

**AWARD**

**Taking into account the facts & circumstances of the case and the submissions made by both the parties during the course of hearing, the complaint is treated as dismissed.**

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(7) the complainant shall be entitled to such interest at a rate per annum as specified in the regulations framed under the Insurance Regulatory and Development Authority of India Act 1999, from the date the claim ought to have been settled under the regulations, till the date of payment of the amount awarded by the Ombudsman.
- c. As per rule 17(8) of the said rules, the award of the Insurance Ombudsman shall be binding on the insurers.

Dated at Bhubaneswar on 24<sup>th</sup> June. 2020

SURESH CHANDRA PANDA  
INSURANCE OMBUDSMAN  
FOR THE STATE OF ODISHA

PROCEEDINGS OF THE INSURANCE OMBUDSMAN, DELHI  
(Under Rule 16 (1)/17 of The Insurance Ombudsman Rules, 2017)

Ombudsman: Shri Sudhir Krishna

Case of Arvind Kumar Bugga versus Life Insurance Corporation of India

Complaint Ref. No.: DEL-L-029-2021-0025

Case No.: LI/LIC/25/20

1.	Name & Address of the Complainant	Shri Arvind Kumar Bugga C-49, South Extn. Part- II New Delhi – 110049
2.	Policy No. Type of Policy Policy term/Policy Period DOC	410511984 and 410511788 Life- Annuity policies 24/1 and 25/1 28.03.1990 and 27.03.1989
3.	Name of the insured Name of the policy holder	Arvind Kumar Bugga Arvind Kumar Bugga
4.	Name of insurer	LIC of India
5.	Date of Rejection	N.A.
6.	Reason for Grievance	Maturity payment not made
7.	Date of receipt of the Complaint	28.02.2020
8.	Nature of Complaint	Non- receipt of maturity/vesting claim
9.	Amount of Claim	Rs. 2,20,000/-
10.	Date of Partial Settlement	N.A.
11.	Amount of Partial Settlement	N.A.
12.	Amount of relief sought	Rs.2,20,000/-
13.	Complaint registered under Rule No. of the Insurance Ombudsman Rules, 2017	Rule 13(1)(f)- policy servicing related grievances against insurers and their agents and intermediaries
14.	Date of hearing/ Place of hearing	29.06.2020/online via Webex
15.	Representation at the hearing	
	For the Complainant	Shri Arvind Kumar Bugga, the Complainant
	For the Insurer	Shri Anup Kumar Hati, Manager (CRM), Kolkata Metropolitan Division-I
16.	Date of Award/Order	29.06.2020

**17. Brief Facts of the Case:**

Shri Arvind Kumar Bugga (hereinafter referred to as the Complainant) has filed the complaint against Life Insurance Corporation of India (hereinafter referred to as the



Insurer or the Respondent Insurance Company) regarding non-receipt of maturity claim under policy nos.10511984 and 410511788

**18. Cause of Complaint:**

a) **Complainant's Argument:** The Complainant had purchased policy nos. 410511984 and 410511788 in 1990 and 1989 under single premium payment mode. His policies got vested in year 2014, but till date he has not received maturity claim. With respect to the same, he approached the servicing branch office of the Insurer in April 2019, when he was told that the annuity payment could not be made for the policies as the policy master was not available in their database. He was also asked to submit premium payment receipt and an undertaking that he had not surrendered the contested policies. The complainant could only find premium payment receipt of policy no. 410511984, which he submitted to the Insurer but got no reply since then and he matter is lying in limbo. He has now approached this forum for release of maturity payment under both the policies.

b) **Insurer's Argument:** The insurer in their email dated 29.06.2020 have stated that the above stated policies were issued from City Branch 16 of KMDO-I and had vested for payment of annuity in 03/2014. The Policy Master for both the policies are missing in their system. The policies had commenced on 28.03.1990 and 27.03.1989, respectively. They fail to understand as to why the policyholder remained silent for non-receipt of the annuity for more than 5 years. They have been following up the matter and every stage was duly communicated to the policyholder. The Policy Bonds and the premium receipts are the basic requirements for the Insurer to take decision for creation of policy masters. They requested the Complainant to submit these documents on 04.06.2020. He was again requested on 10.06.2020 to send either the original policy bonds or scanned copy of the bonds and the receipts duly certified by any Class-I officer of the Corporation. But he has sent only scanned copy of the bonds and one premium receipt. On receipt these documents they may proceed in this matter.

**19. Reason for registration of Complaint:** Non- receipt of maturity/vesting claim.

**20. The following documents were placed for perusal:**

- a) Copy of policies and Premium receipt of policy no 410511984
- b) Complaint
- c) Response email dated 29.06.2020 from the Insurer.

**21. Result of hearing with the parties (Observations and Conclusion):**

Case called. Parties are present and recall their arguments as noted in Para 18 above.

At this stage, the Insurer offers to release the annuity payments if the Complainant submits duly attested copies of the original Policy Bonds and as many premium receipts as possible. The Complainant agrees to submit the same but requests that he should be permitted to submit the same through the office of this forum owing to his advanced age and health issues, which are getting compounded in this Covid-19 pandemic lockdown situation. The Insurer concurs with this request. Thus an agreement of conciliation could be arrived at between the parties during the hearing today, which I find fair and reasonable.

**Award**

The complaint is allowed in terms of the agreement of conciliation arrived at between the parties during the hearing today. Accordingly, the Complainant should submit duly attested copies of the original Policy Bonds and as many premium receipts as possible, to the Insurer, where after the Insurer should release the pending payments.

Parties should implement this agreement within 30 days.

(Sudhir Krishna)  
Insurance Ombudsman

29<sup>th</sup> June 2020

PROCEEDINGS OF THE INSURANCE OMBUDSMAN, DELHI  
(Under Rule 16 (1)/17 of The Insurance Ombudsman Rules, 2017)  
Ombudsman: Shri Sudhir Krishna

Case of Raj Kumar Gupta versus Life Insurance Corporation of India  
Complaint Ref. No.: DEL-L-029-2021-0027  
Case No.: LI/LIC/27/20

1.	Name & Address of the Complainant	Shri Raj Kumar Gupta KP-175, Pitampura, Maurya Enclave, Delhi-110088
2.	Policy No Type of Policy Policy term/Policy Period DOC	Proposal no- 2619 Life Insurance N.A N.A
3.	Name of the insured Name of the policy holder	Raj Kumar Gupta Raj Kumar Gupta
4.	Name of insurer	LIC of India
5.	Date of Rejection	N.A.
6.	Reason for Grievance	Non-issuance of policy
7.	Date of receipt of the Complaint	24.02.2020
8.	Nature of Complaint	Non-issuance of policy

9.	Amount of Claim	N.A.
10.	Date of Partial Settlement	N.A.
11.	Amount of Partial Settlement	N.A.
12.	Amount of relief sought	Issuance of Policy
13.	Complaint registered under Rule No. of the Insurance Ombudsman Rules, 2017	Rule 13(1)(h)- non-issuance of insurance policy after receipt of premium in life insurance and general insurance including health insurance;
14.	Date of hearing/ Place of hearing	29.06.2020/ Online - Webex Meet
15.	Representation at the hearing	
	a) For the Complainant	Shri Raj Kumar Gupta, the Complainant
	b) For the Insurer	Smt. Anjana Garg, Manager (CRM)
16.	Date of Award/Order	29.06.2020

**17. Brief Facts of the Case:**

Shri Raj Kumar Gupta (hereinafter referred to as the Complainant) has filed the complaint against the decision of the Life Insurance Corporation of India. Ltd. (hereinafter referred to as the Insurer or the Respondent Insurance Company) regarding non- issuance of policy no. despite acceptance of proposal.

**18. Cause of Complaint:**

**a) Complainant's Argument:** The Complainant had submitted proposal for the Nav Jeevan Plan. His proposal was accepted at ordinary rate by insurer on 07.09.2019. However, till date they have not issued policy to him. When he approached Insurance Company regarding the same, initially he was told that policy could not be issued due to some technical error, but later the reason was changed to the closure of the Nav Jeevan Plan. He has now approached this forum for issuance of policy.

**b) Insurer's Argument:** The Insurance Company vide SCN dated 08.06.2020 submitted that the Complainant's proposal for Nav Jeevan Plan was registered on 13.08.2019. In pursuance of their underwriting guidelines, proposal was sent to their Divisional Office for underwriting, but there it was found that the Complainant had proposed policy vide proposal form 300 whereas proposal form 506 should have been used. Hence proposal could not be accepted/completed due to non- submission of proposal form no. 506. Meanwhile, the Nav Jeevan Plan was closed on 31.08.2019. They further submitted that they advised Complainant to proposed another plan of LIC or apply for refund.

**19. Reason for registration of Complaint:** Non-issuance of policy.

**20. The following documents were placed for perusal:**

a) Copy of policy.

- b) Self Contained Note
- c) Forms No. 300 and 506

**21. Result of hearing with the parties (Observations and Conclusion):**

Case called. Parties are present and recall their argument as noted in Para 18 above.

I have examined the evidence and arguments submitted by the parties. The Complainant had applied for buying the Nav Jeevan Plan on 13th August 2019 along with the cheque for the premium amount, which was duly acknowledged in the Branch office of the Insurer on 14.8.2019. While processing the application, the Insurer at some level in their system observed that the Complainant had submitted the application in Form No. 300, which was a general application form for most policies of the Insurer, whereas for this particular plan, Form No. 506 was the appropriate one. Therefore, they advised the Complainant to submit the application in Form 506, which he did on 05.9.2019. Subsequently, the Insurer informed the Complainant vide letter dated 31.12.2019 as follows:

“Your grievance has been redressed and the redressal details are as below:

Number could not be allotted due to technical reasons and the case has been referred to higher office.”

Thus the Insurer had tentatively admitted their error and decided to offer relief to the Complainant, but withdrew from giving final relief to the Complainant by way of issuance of the Policy, which was not justified. The error was mainly on part of the Insurer and the application deserves to be allowed.

<b>Award</b>
The complaint is allowed and the Insurer is directed to issue the Nav Jeevan Plan to the Complainant as per his applications dated 13/14.8.2019 and 05.9.2019, within 30 days.

(Sudhir Krishna)  
Insurance Ombudsman

29<sup>th</sup> June 2020

<p style="text-align: center;"><b>PROCEEDINGS BEFORE</b>  <b>THE INSURANCE OMBUDSMAN, STATES OF A.P., TELANGANA &amp; YANAM</b>  <b>(Under Rule 16(1)/17 of The Insurance Ombudsman Rules, 2017)</b></p> <p style="text-align: center;"><b>OMBUDSMAN - Shri I. SURESH BABU</b></p> <p style="text-align: center;"><b>Complaint Ref. No. HYD-L-041-1920-0810</b></p> <p style="text-align: center;"><b>Award No. IO/HYD/A/LI/0008/2020-21</b></p>		
1.	Name & address of the complainant	Ms.Nakka Sugandhi H.No. 2-124/13, K.V.K.Quarters, Gaddipalle, Garidepalli, Keethavarigudem, Nalgonda Telangana-508201
2.	Policy No./Collection No. Type of Policy Policy term/Premium paying period	1K068121902 SBI Life Smart Wealth Builder life cover plan 10 Years/05Years
3.	Name of the Policy holder	Ms.Nakka Sugandhi
4.	Name of the insurer	SBI Life Insurance Company Ltd
5.	Date of Rejection by Insurer	03/07/2019
6.	Reason for Rejection	As per conditions of policy.
7.	Date of receipt of the Complaint	27/01/2020
8.	Nature of complaint	Renewal Premium not adjusted
9.	Amount of Claim	Rs.1,00,000/-
10.	Date of Partial Settlement	NIL
11.	Amount of Relief sought	Rs.1,00,000/-
12.	Complaint registered under	Rule No 13.1. ( e) of Insurance Ombudsman Rules
13.	Date of hearing/place	16/06/2020/Hyderabad
14.	Representation at the hearing	
	a) For the complainant	Self
	b) For the insurer	Ms.C.Krishnaveni, Associate Vice President.
15.	Complaint how disposed	Allowed
16.	Date of Order/Award	24/06/2020

**17) Brief Facts of the Case:**

Ms.Nakka Sugandhi filed a complaint stating that the insurer has wrongly rejected her request for cancellation of her policy and refund of amount paid by her.

The complaint falls within the scope of the Insurance Ombudsman Rules, 2017 and so it was registered.

**18) Cause of Complaint:** Renewal Premium not adjusted.

**(a)Complainants argument:**

Ms.Nakka Sugandhi took an insurance policy from SBI Life Insurance company on 18/10/2016, after paying the first annual premium of Rs.50,000/-. She paid the second annual premium of Rs.50,000/- in October 2017. The third annual premium was paid by her by way of SBI cheque number 115362 on 24/10/2018. On 10/01/2019 she received a letter from the insurance company informing her that the cheque bearing number 115362 given by her for Rs.50,000/- towards renewal premium was dishonoured. As she had sufficient balance in her account and, as the amount of Rs.50,000/- was also debited in her account, she informed the same to the insurer. After much follow up she received a letter from the insurer advising her to visit their nearest branch and submit the bank statement in which her amount was debited in her account. She submitted her bank statement in Suryapet branch of SBI Life insurance. Later, an amount of Rs.50,000/- was credited back by SBI life Insurance into her SBI account on 18/12/2019. When she questioned the insurer as to why the amount was refunded without adjusting it, she did'nt receive a satisfactory reply from the insurer. Feeling frustrated she requested the insurer to cancel the policy and refund her amount, but her request was rejected stating that it was received after the free look period. .

**b) Insurer's argument:**

An insurance policy was issued on 18/10/2016, to Ms.Nakka Sugandhi after receiving the first annual premium of Rs.50,000/- along with the duly signed and completed proposal form. The third annual premium due in October 2018 was paid by her by way of cheque number 115362 on 24/10/2018. Further, the company also received on 26/10/2018 an amount of Rs. 50,000/- towards renewal premium by way of electronic fund transfer. As the amount towards third annual premium was already

paid by her by way of cheque number 115362, the amount received by Electronic Fund Transfer was kept as unadjusted amount in suspense account and later it was refunded to her on 18/12/2019 and an interest of Rs.1771/- was paid to her on 28/02/2020. Meanwhile the cheque number 115362 given by her was dishonoured and same was informed to her. As the cheque given by her towards renewal premium was dishonoured, and the amount received by Electronic Fund Transfer was also refunded to her, the policy went into a lapsed condition. Anyhow, she was informed that her policy would be revived after receiving the required premium amount from her.

**19) Reason for Registration of Complaint:-** Premium not adjusted by Insurer.

**20) The following documents were placed for perusal.**

- a) Request letter by complainant to Insurance company.
- b) Reply by Insurance company
- c) Complaint letter by the complainant to Ombudsman
- d) Self contained note by the Insurer.

**21) Result of hearing with both parties (Observations & Conclusion):**

Pursuant to the notices issued by this office both the parties attended the hearing held at Hyderabad on 16/06/2020

On close consideration of submissions made and documents produced it was observed that Ms. Nakka Sugandhi had an account in SBI, Gaddipally branch of Suryapet District. The bank manager Mr. Gupta, induced her in taking an insurance policy from SBI Life Insurance company. As she had to visit the bank regularly to operate her account, she had to agree to take the policy though she was not interested in taking the policy. The bank manager took her signatures on the proposal form and a cheque for the first premium of Rs.50,000/-. She received the policy bond and when the second annual premium was due she gave the cheque for Rs.50,000/- to the bank manager towards the premium. As the amount was not debited in her account even after many days she approached the bank manager and enquired about the cheque. The bank manager told her that he forgot about the cheque and promised her that the cheque would be accounted immediately. Later, she received the receipt for the premium from the insurance company. By the time the third annual premium was due,

the bank manager was transferred and the new bank manager told her that she had to go to the insurance office and pay the premium. Accordingly she went to Miryalguda branch of SBI Life Insurance and gave cheque bearing number 115362 for Rs.50,000/- on 24/10/2018 and got the receipt for the payment. For reasons unknown an amount of Rs.50,000/- was auto debited from her bank account towards her premium and credited to SBI life insurance. Probably the previous bank manager might have taken her signatures on auto debit form. As she had already paid renewal premium by cheque, the amount received by auto debit was kept in suspense account by the insurer and later the amount was refunded to her by crediting into her bank account.

The insurer stated in the self contained note ( point number 3 (c) ) that the cheque bearing number 115362, given by the life assured for the renewal premium due in October 2018 was dishonoured and the company returned the cheque to her on 10/01/2019. The insurer conveniently avoided mentioning the date on which the cheque was received from the life assured. As the life assured was issued a receipt dated 24/10/2018 by the insurer, it was clear that the cheque was received by the insurer on 24/10/2018. The insurer was not having any answer for the question as to why the cheque dishonour intimation was given to the insured after more than two and a half months of receiving the cheque. When the representative of the insurer was questioned as to why the amount of Rs.50,000/- received by the company on 26/10/2018 by auto debit from the bank account of the insured was not adjusted towards the premium, the representative of the insurer replied that, the amount was not sufficient. The contention of the insurer was that, as the cheque given by the life assured was dishonoured, she had to pay a dishonour charges of Rs 200/- along with the premium of Rs.50,000/-. The total amount to be paid by the insured was Rs.50,200/- ( Premium Rs.50,000 plus cheque dishonor charges Rs.200/-) but the amount received by auto debit was only Rs.50,000/- and hence the amount was not adjusted but kept in suspense account. If that be the case, then why was the same not intimated to the insured immediately or why was the amount not refunded to her immediately?. The amount was received by auto debit by the insurer on 26/10/2018 and it was refunded to the complainant on 18/12/2019, which was more than one year of receiving the same. Why did the insurer keep the amount idle in suspense



account for more than one year without either adjusting it or refunding it to the insured or at least informing the insured to pay the balance of Rs.200/-?Though the insurer paid an interest of Rs.1771/- for keeping the amount for more than one year without adjusting the same, it doesn't serve any purpose. It was also surprising to note that the cheque dishonour intimation was given on 10/01/2019 but later, a premium paid certificate dated 23/01/2019 was sent to the insured. The lack of proper control on the systems and procedures on behalf of the insurer was clearly evident at every stage, causing a lot of hardship and mental agony to the complainant, who is alone as her husband worked elsewhere, not knowing what the insurance company was doing. There was no body from the insured's side who would follow up with the insurer. Obviously, her repeated pleas fell on deaf ears of the insured. In these circumstances no sane person would like to continue her/his policy with the insurer who was not only unresponsive but also tested the patience of the complainant at every stage.

In view of the above, Forum feels that the insurer should cancel the policy and refund the premiums paid by the complainant. .

**AWARD**

Taking into account the facts and circumstances of the case, the documents produced and submissions made by both the parties, during the course of hearing the insurer is directed to cancel the policy and refund the premiums paid by the complainant. In result the complaint is Allowed..

**Dated at Hyderabad on the 24th day of June 2020**

**( I SURESH BABU )**

**TELANGANA AND CITY OF YANAM**

**PROCEEDINGS OF THE INSURANCE OMBUDSMAN, KOCHI  
(UNDER RULE NO. 13(1)b READ WITH RULE 14 OF  
THE INSURANCE OMBUDSMAN RULES, 2017)**

**Complaint No. KOC-L-021-2021-0006**

**PRESENT: Ms. POONAM BODRA  
INSURANCE OMBUDSMAN, KOCHI.**

**AWARD PASSED ON 26.06.2020**

1. **Name and Address of the complainant** : **Mr. Rajesh V S  
Thirunilath Veedu, Vadakke  
Bemeethi, Eeroor North P O,  
Thrippunithura- 682306**
2. **Policy Number** : **17124431**
3. **Name of the Insured** : **Mr. Rajesh V S**
4. **Name of the Insurer** : **ICICI Prudential Life Insurance Co.  
Ltd.**
5. **Date of receipt of Complaint** : **16.03.2020**
6. **Nature of complaint** : **Dispute regarding refund of  
premium**
7. **Amount of relief sought** : **--**
8. **Date of hearing** : **22.06.2020**
9. **Parties present at the hearing**
  - a) **For the Complainant** : **Mr. Rajesh V S**
  - b) **For the Insurer** : **Mr. Naveen Abraham**

#### **AWARD**

This is a complaint filed under Rule 13(1)b read along with Rule 14 of the Insurance Ombudsman Rules, 2017. The complaint is dispute regarding refund of premium. The complainant, Mr. Rajesh V S is the policyholder.

1. Averments in the complaint are as follows:

Complainant had obtained an insurance policy from the respondent insurer on 29.10.2012. Monthly premium @ Rs 5000/- was remitted till 30.05.2015. After the expiry of premium paying period, he contacted the insurance company for refund of premium remitted by him. But, he was informed that nothing was payable to him since premium was not paid for a continuous period of 3 years. The complainant states that neither the insurance company nor the insurance advisor had informed him earlier regarding such a clause. He had remitted a total premium amounting to more than Rs 1,50,000/- and hence he has approached this forum requesting to direct the insurer to refund the premium remitted by him.

2. The respondent insurer entered appearance and filed a self contained note. It is submitted that based on the application form received from the complainant, the subject policy was issued with Risk Commencement Date 31.10.2012, Monthly premium Rs 5155/-, Sum Assured Rs 420,000/- Premium Paying Term 7 years and Policy Term 15 years. The policy document along with the copy of proposal form was sent to the policy holder's registered address on 14.11.2012. It is submitted that the policy holder had never approached the company with complaint of any discrepancy in the proposal form or policy document, within the mandated period of 15 days of 'Free Look Period'. It is also submitted that the policy holder had paid the renewal premiums for two years and eight months. The total premium paid amounts to Rs 163433/-. During this period also, the complainant did not raise any concern regarding the subject policy. Again, being a regular premium plan, the company had sent premium notices, policy lapsation reminders etc via SMS to the policyholder's registered contact number. It is further submitted that since the premiums due since June 2015 were unpaid and the policy was not revived within the revival period, the policy got foreclosed on June 30, 2017. In December 2019, the policy holder approached the company, stating that he could not continue remittance of premium due to financial crisis and demanded refund of premium remitted by him. It is also submitted that the company considered the above mentioned facts as well as policy terms and conditions and declined his demand for refund of premium.

3. I heard the complainant and the respondent Insurer. The complainant submitted that he had paid premium @ Rs 5000/- for 32 months. He stated that he was a plumber and he joined the policy for the benefit of his daughter. But, due to financial difficulty, he could not continue remittance of premium after paying 32 monthly installments and he was not aware that in order to get surrender value, at least three full year's premiums were to be remitted. The respondent Insurer submitted that the complainant had not remitted premium for the minimum period of three years and hence nothing is payable as per policy conditions.

4. The complainant is a plumber and it seems that he is not much educated. The premium paying term is 7 years and he remitted 32 monthly installments of premiums. The complainant states that he was not aware of the minimum premium paying period of 3 years. Date of commencement of the policy is 31.10.2012 and the premiums were paid till June 2015. The insurer has stated that the total premium remitted amounts to Rs 163433/-. It is also to be considered that the complainant enjoyed risk cover under the policy while it was in force. As per IRDA Regulations 2013 (dtd 01.01.2014), for products with premium paying term of less than 10 years, if all premiums have been paid for at least two consecutive years, the policy shall acquire a guaranteed surrender value. Taking into account of all these facts, it has been decided to consider this as a special case and allow refund of an amount equal to 30% of total premium paid as surrender value.

In the result, an award is passed, directing the respondent insurer to pay an amount of Rs 49030/-, within the period mentioned hereunder. No cost.

As prescribed in Rule 17(6) of Insurance Ombudsman Rules, 2017, the Insurer shall comply with the award within 30 days of receipt of the award and intimate compliance of the same to the Ombudsman.

Dated this the 26<sup>th</sup> June 2020.

**Sd/-**  
**(POONAM BODRA)**  
**INSURANCE OMBUDSMAN**

**PROCEEDINGS OF  
THE INSURANCE OMBUDSMAN, KOCHI**  
**(UNDER RULE NO. 13(1)b READ WITH RULE 14 OF  
THE INSURANCE OMBUDSMAN RULES, 2017)**  
**Complaint No. KOC-L-032-1920-0484**

**PRESENT: Ms. POONAM BODRA  
INSURANCE OMBUDSMAN, KOCHI.**

**AWARD PASSED ON 26.06.2020**

- |   |          |   |
|---|----------|---|
| <b>1. Name and Address of the complainant</b> | <b>:</b> | <b>Mr. Govindankutty<br/>Ragendu, Vadavukode,<br/>Puthecruze, Ernakulam. Pin -<br/>682310</b> |
| <b>2. Policy Number</b>                       | <b>:</b> | <b>410831291</b>  |
| <b>3. Name of the Insured</b>                 | <b>:</b> | <b>Mr. Govindankutty</b>  |
| <b>4. Name of the Insurer</b>                 | <b>:</b> | <b>Max Life insurance Co. Ltd.</b>  |
| <b>5. Date of receipt of Complaint</b>        | <b>:</b> | <b>11.03.2020</b>   |
| <b>6. Nature of complaint</b>                 | <b>:</b> | <b>Dispute regarding surrender<br/>value</b>  |
| <b>7. Amount of relief sought</b>             | <b>:</b> | <b>--</b>   |
| <b>8. Date of hearing</b>                     | <b>:</b> | <b>22.06.2020</b>   |
| <b>9. Parties present at the hearing</b>      |          |   |
| <b>a) For the Complainant</b>                 | <b>:</b> | <b>Mr. Harigovind G.S.</b>  |
| <b>b) For the Insurer</b>                     | <b>:</b> | <b>Ms. Bindhu H.S.</b>  |

## AWARD

This is a complaint filed under Rule 13(1)b read along with Rule 14 of the Insurance Ombudsman Rules, 2017. The complaint is Dispute regarding surrender value. The complainant, Mr. Govindankutty is the policyholder.

1. Averments in the complaint are as follows:

The complainant had purchased a pension policy from the respondent insurer in the year 2013. Since he had to undergo a cardiac surgery, he was unable to work further and took retirement from the services. He was not in a position to pay further premiums and now wants to surrender the policy since he is facing financial crisis. Even though he had requested the insurer to surrender the policy and return the amount, no favorable response was received from them and hence he has approached this forum for a solution.

2. The respondent insurer entered appearance and filed a self contained note. It is submitted that the subject policy was issued with Policy enforced date 13.12.2013, annual premium Rs 1 lakh and number of premiums 6. It is further submitted that the policy was issued on the basis of a duly signed proposal form submitted by the policy holder and he was issued with a policy bond. It is again submitted that the policy holder was given 15 days free look period to raise concerns in relation to features and terms and conditions of the policy; but, the complainant never exercised this option which demonstrates that the complainant was fully satisfied and agreed to the terms and conditions of the policy. Again, the mentioned policy is a pension plan and customer is an educated man and he took the pension plan which was suitable for old age; moreover, he had undergone bypass surgery in 2014 and still paid the renewal premiums and had never alleged any mis sale. The surrender value of the policy as on 12.05.2020 is Rs 720109.63/- (subject to change) against the premium paid of Rs 6 lakhs. It is also submitted that as per the current prevailing law of IRDAI (unit linked insurance products Regulations 2019 provides for commutation upto 60% and hence the customer can surrender the policy and commute 60% of surrender value and balance amount can be utilized for purchasing an immediate annuity from the company and the company is bound by the policy terms and IRDAI regulations.

3. I heard the complainant and the respondent Insurer. The complainant was represented by his son who submitted that at the time of purchase of the policy, the policy holder was not apprised of the full policy details. Now the complainant is in need of money to meet his medical expenses. The respondent Insurer submitted that the policy document sent to the complainant contained the terms and conditions of the policy. Being a pension policy, the customer has to purchase a pension for the balance surrender value after commutation to the extent allowed under the prevailing laws. However, as the current IRDAI Regulations provides for commutation upto 60% , the customer can surrender the policy and withdraw/commute 60% of the surrender value and balance amount can be utilized to purchase a pension from any insurance company.

4. The policy purchased by the complainant is a pension policy. The terms and conditions of the policy as well as IRDAI Regulations do not provide for refund of full surrender value. The insurer has informed that as per the current, prevailing, IRDAI Regulations, surrender value can be commuted upto 60%. They offered to refund 60% of surrender value. It was also informed that balance amount can be utilized to purchase a pension from any insurance company.

In the result, an award is passed, directing the respondent insurer to allow the complainant to commute the surrender value as offered (60%) and permit to purchase a pension policy for the balance amount from any insurance company, on receipt of necessary requirements. No cost.

As prescribed in Rule 17(6) of Insurance Ombudsman Rules, 2017, the Insurer shall comply with the award within 30 days of receipt of the award and intimate compliance of the same to the Ombudsman.

Dated this the 26<sup>th</sup> June 2020.

**Sd/-**  
**(POONAM BODRA)**  
**INSURANCE OMBUDSMAN**

**AWARD NO. IO/KOC/A/LI/0006/2020-2021**

**PROCEEDINGS OF THE INSURANCE OMBUDSMAN, KOCHI**

**(UNDER RULE NO. 13(1)b READ WITH RULE 14 OF  
THE INSURANCE OMBUDSMAN RULES, 2017)**

**Complaint No. KOC-L-033-1920-0466**

**PRESENT: Ms. POONAM BODRAINSURANCE OMBUDSMAN, KOCHI.**

**AWARD PASSED ON 30.06.2020**

- |   |          |   |
|---|----------|---|
| <b>1. Name and Address of the complainant</b> | <b>:</b> | <b>Mr. N Balagopalan<br/>No 12/91, Vignesh, Vyreli Nagar,<br/>Market Road, Thripunithura-682301</b> |
| <b>2. Policy Number</b>                       | <b>:</b> | <b>1200500068896</b>  |
| <b>3. Name of the Insured</b>                 | <b>:</b> | <b>Mr. N Balagopalan</b>  |
| <b>4. Name of the Insurer</b>                 | <b>:</b> | <b>PNB Metlife India Ins. Co. P. Ltd.</b>   |
| <b>5. Date of receipt of Complaint</b>        | <b>:</b> | <b>27.02.2020</b>   |
| <b>6. Nature of complaint</b>                 | <b>:</b> | <b>Dispute regarding surrender value</b>  |
| <b>7. Amount of relief sought</b>             | <b>:</b> | <b>--</b>   |
| <b>8. Date of hearing</b>                     | <b>:</b> | <b>22.06.2020</b>   |
| <b>9. Parties present at the hearing</b>      |          |   |
| <b>a) For the Complainant</b>                 | <b>:</b> | <b>Mr. N Balagopalan</b>  |
| <b>b) For the Insurer</b>                     | <b>:</b> | <b>Mr. Krishnakumar R.</b>  |

**AWARD**

This is a complaint filed under Rule 13(1)b read along with Rule 14 of the Insurance Ombudsman Rules, 2017. The complaint is Dispute regarding surrender value. The complainant, Mr. N Balagopalan is the policyholder.

1. Averments in the complaint are as follows:



Complainant had purchased an insurance policy from the respondent insurer on 18.01.2005 and remitted annual premium@ Rs.6412/- for three years. When the complainant approached the insurer in April 2017 for surrendering the policy, it was informed that he will be getting Rs 5900/- only on surrender as against Rs 19236/- remitted by him, which was less than 30% of the remittance. According to the complainant, as per the face value calculation, he is eligible for 155% of premium remitted (now 165%) and hence he is entitled to get Rs 31739/- along with interest @ 12% per annum. Even though a complaint was sent to the Grievance Redressal Cell of the insurer, a convincing reply was not received. Hence he has sought the help of this forum for getting justice.

2. The respondent insurer entered appearance and filed a self contained note. It is submitted that the subject policy was issued with Sum Assured Rs 119000/-, annual premium Rs 6412/-, policy issue date 18.01.2005 and premium paying term 10 years. It is further submitted that the complainant had applied for the policy by submitting proposal form and other related documents and the policy features were explained to the complainant. Since the complainant never requested for cancellation of the policy under the 'free look period', it can be presumed that the terms and conditions of the policy were acceptable to him. It is again submitted that the complainant had paid only three installments of premium under the policy and hence the policy was moved to premium holiday status as per terms and conditions of the policy. Again, the company received a complaint vide letter dated 22.06.2017 stating that the surrender value was less as he would be getting Rs 5900/- on surrender as against Rs 19236/- remitted by him. The company replied vide letter dated 24.06.2017 and informed that as per policy conditions, the cash value payable on surrender is equal to the account value available on the date of surrender less the surrender penalty and informed that the status of the policy was 'Premium Hold' due to non receipt of premium since 18.01.2008. It is further submitted that the complainant again approached the company vide letter dated 04.10.2018 with same allegation related to surrender value and the company replied vide letter dated 12.10.2018 that the current status of the policy was 'Premium Holiday' due to the non receipt of premium since 18.01.2008. It was also informed that Premium Holiday means 'the company provides the customer with an option of Premium Holiday/Discontinuance where they can stop making the payment after paying premiums for three policy years and restart the same subject to policy terms and conditions and the feature gets automatically activated in the event of nonpayment of the regular premium post paying for three policy years". It is further confirmed that during premium holiday, policy life cover of customer continues even if they do not pay future premiums. The policy continues to enjoy the benefits of an active policy and the charges are deducted from the existing fund value. It is again submitted that the contract of insurance is an agreement between the proposer and the insurance company where in both the parties to the contract accepts to abide by the terms and conditions of the contract and hence both parties are bound by the terms and conditions of the policy document which is the evidence of contract.

3. I heard the complainant and the respondent Insurer. The complainant submitted that he had remitted a total amount of Rs 19236/- towards premium under the policy;

but, the surrender value offered is very less. The respondent Insurer submitted that the surrender value has been calculated as per policy conditions.

4. The insurance policy was obtained on 18.01.2005 for a Sum Assured of Rs 1,19,000/- . Complainant remitted annual premium @ Rs 6412/- for three years. He approached the insurer for surrender of the policy in April 2017 and a surrender value of Rs 5900/- was offered by the insurer. The complainant argues that he had remitted the premiums 11 years back and hence offering such a small amount after a long period is unacceptable. He submits that he is entitled to get Rs 31,739/- as surrender value at 165% of the amount remitted by him. This forum has perused the papers submitted by both the parties. It is observed that 165% is related to Sum Assured and not to premium. As per the account summary submitted by the insurer, various charges were being deducted from the fund value and hence it got reduced. The life cover is continued by debiting mortality charges. But, no proof was submitted by the insurer to show that they had sent account statements periodically to the complainant. At the time of hearing, the company representative was advised to submit proof of sending the account statement, if any, to the complainant on earlier dates. The company submitted copies of two letters with account statements, addressed to the complainant. But, it seems as not genuine since certain discrepancies could be found in the papers submitted. The forum expresses its concern and strong dissatisfaction over such practices. The forum is of the view that if the statements had been sent regularly, the policy holder could have got a chance to look into the value of his policy, details of deductions/charges etc. Then, a proper decision regarding surrender/ continuation of the policy could have been taken by him well before. Taking into account of the facts and circumstances of the case, this forum has decided that refund of 50% of total premium remitted is a reasonable solution in the case.

In the result, an award is passed, directing the respondent insurer to pay an amount of Rs.9618/- being the 50% of total premium remitted, within the period mentioned hereunder. No cost.

As prescribed in Rule 17(6) of Insurance Ombudsman Rules, 2017, the Insurer shall comply with the award within 30 days of receipt of the award and intimate compliance of the same to the Ombudsman.

Dated this the 30<sup>th</sup> June 2020.

**Sd/-**  
**(POONAM BODRA)**  
**INSURANCE OMBUDSMAN**

**PROCEEDINGS BEFORE - THE INSURANCE OMBUDSMAN, STATE OF UP**  
**(UNDER RULE NO: 16(1)/17 OF THE INSURANCE OMBUDSMAN RULE 2017)**

Gyanesh Kumar Singh..... Complainant

V/S

SBI Life Insurance Co. Ltd.....Respondent

**COMPLAINT NO: LCK-L-041-1819-0451    Order No. IO/LCK/A/LI/0003/2020-21**

1.	Name & Address of the Complainant	Mr. Gyanesh Kumar Singh S/O Justice Ganga Baksh Singh F-2154 , Rajajipuram Lucknow- 226017
2.	Policy No: Type of Policy DOC	53487032108 Smart Elite Plan 02.02.2018
3.	Name of the insured Name of the policyholder	Mr. Gyanesh Kumar Singh Mr. Gyanesh Kumar Singh
4.	Name of the insurer	SBI Life Insurance Co. Ltd
5.	Date of Repudiation/Rejection	-
6.	Reason for repudiation/Rejection	-
7.	Date of receipt of the Complaint	14.11.2018
8.	Nature of complaint	Correction in policy bond not made, hence cancel the policy and refund the premium
9.	Amount of Claim	300000/-
10.	Date of Partial Settlement	--
11.	Amount of relief sought	Cancellation of policy and refund of premium.
12.	Complaint registered under Rule	Rule No. 13(1)(f) of Ins. Ombudsman Rule 2017
13.	Date of hearing/place	19.06.2020 at 10.15 am
14.	Representation at the hearing	
	a) For the Complainant	Gyanesh Kumar Singh
	b) For the insurer	Mohd. Tarique Khan
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	19.06.2020

17. Mr. Gyanesh Kumar Singh (Complainant) has filed a complaint against SBI Life Insurance Co. Ltd. (Respondent) alleging poor servicing of the company.

Brief Facts of the Case:-

18. As per the complaint, complainant had taken a policy no.53487032108 for Rs. 3000000/- with yearly premium of Rs. 300000/- for 10years term with premium paying term 05 years from SBI Life on 02.02.2018. Complainant has further stated that after receiving the policy bond, he came to know that Shailja Singh aged 21 years who is my daughter has been shown as Wife aged 40 years of policyholder . Hence claimant has requested for correction in policy, but could not be materialized and the mistake in the bond has yet not been removed. Keeping in view of the above, claimant is not interested to continue his policy and wants to cancel the policy with a request to refund the premium amount. Being aggrieved, the complainant approached this forum for the redressal of his grievance.

Written reply/SCN:-

19. In their SCN/reply dated 04.12.2018, RIC has stated that above policy was issued on the basis of duly signed proposal form for Insurance from the policyholder and company sent the policy bond which was duly delivered to the policy holder on 09.02.2018 through speed post under POD No. EA105360224IN). They further stated that the correction in the policy bond has already been made. Now the policyholder wants to cancel the policy and to get the premium back after enjoying risk cover. Hence the complaint is baseless and deserves to be dismissed.

20. The complainant has filed a complaint letter & correspondence with respondent and copy of policy document while respondent has filed SCN with enclosures. But Annexure VI A is not given.

21. I have heard the complainant as well as the respondent representative and perused the record.

Findings:-

22. Today date is fixed for hearing. Intimation was sent to the complainant by post as well as telephonically. Today complainant is informed that his residential area has been turned into containment zone, therefore, it is sealed due to Covid-19 so he could not appear in person for the hearing. Telephonically his consent was obtained for hearing of the matter online

accordingly submission of complainant was heard on WhatsApp through his mobile no. 8052980892. Therefore, after due to disturbance in online communication I talked to him on his mobile no. 9415062587 from my mobile no. 9670905566. I also here the respondent representative.

23. Controversy in the matter is very short. Admittedly complainant took the policy under "SBI Life Smart Elite Plan Gold Option" with date of commencement as 02.02.2018 with a term of 10 years and premium of Rs. 3 lacs per annum. He made his minor daughter Adrishya Singh as nominee and her elder daughter Miss Shailja Singh aged about 21 year as her guardian. Incidentally relationship of nominee and guardian were wrongly mentioned as daughter and mother in the policy bond. When complainant received the policy bond he noticed the mistake. It is relevant that complainant had taken the policy through State Bank of India High Court Branch, Lucknow. When he noticed the mistake he contacted the Branch Manager Mr. Ashish Tripathi with a request for correction but nothing was done. Subsequently on his transfer complainant again met his successor Shri Ashutosh Shukla. One Farhan Ali staff member of the State Bank of India High Court Branch, Lucknow also met the complainant in this regard. Ultimately when complainant did not receive any positive response from the officers of State Bank of India High Court Branch, Lucknow he moved the complaint. Complainant submits that he is a senior lawyer practicing at High Court Lucknow Bench. He belongs to a family of judges. His father late Hon'ble Mr. Justice Ganga Bakhsa Singh was a judge of the High Court Lucknow Bench. His brother is presently posted as District Judge in U.P. With this back ground he has been harassed by the Branch Managers of State Bank of India High Court Branch, Lucknow. He has taken the policy with an intention to continue the same but due to rude

irresponsible and negligent behavior of the aforesaid Branch Managers of State Bank of India High Court Branch, Lucknow he is compelled to surrender the policy.

24. In the SCN the respondent have stated that the request of the complainant for correction was not forwarded by the State Bank of India High Court Branch, Lucknow to the respondent. Respondent representative submits that the required correction was done on 29.11.2018 when they received the copy of the complaint filed by the complainant before Ombudsman, Lucknow.

There is no denial regarding the behavior or services not provided by the Branch Managers to the complainant.

25. If a fact ascertained by the complainant is not denied in the self contained note it shall presumed to have been admitted. It is settled legal position that if a fact is pleaded in the pleading and not specifically denied in the written statement/ self contained note it shall deemed to the accepted. Specific allegations have been labeled given Shri Ashish Tripathi and Shri Ashutosh Shukla the then Branch Managers of the State Bank of India High Court Branch, Lucknow but the allegation has not been controverted. In such circumstances allegations of misbehavior and not providing proper service are accepted by the respondent. Respondent representative submits that the SBI/ Designated Officers of the State Bank of India functions as the agent of the respondent. In such circumstances responsibility of the Branch Manager increases to a greater extent. They are expected to provide the due service to the insured. Due to non- cooperation of the above 2 Branch Managers of the State Bank of India High Court Branch, Lucknow respondent suffered a loss of premium for 9 years that to a tune of Rs. 27 lacs. Had the conduct of the Branch Managers being cooperative complainant who is a senior advocate of High Court, Lucknow Bench would have not been compelled to surrender his policy.

26. Now it is to be seen as to what relief can be granted to the complainant. Correction as required has already been made by the respondent. During the course of hearing

complainant informed that he has not received a letter of correction. Although respondent says they have sent the letter but to avoid any controversy a copy of the correction letter is sent on Whatsapp to the complainant today. So the relief of correction became infructuous. Other relief is regarding surrender and refund of premium deposited by the complainant. Respondent representative submits that the policy in question is a unit linked policy wherein only single premium has been paid. Now 2 more premiums are already due. In such circumstances as per the terms and conditions of policy bond policy cannot be surrendered rather complainant would get the amount back if he so desires after the expiry of lock-in period as per the terms and conditions of the policy bond.

27. Having considered all the fact and circumstances of the case I am of the view with the grievance regarding correction has already been taken care by the respondent and is infructuous. Other relief for refund of premium amount is refused.

Order:-

28. Complaint is dismissed.

29. Let a copy of this judgment be sent to the Chief General Manager of the State bank of India, Lucknow circle Lucknow for information and necessary action.

30. Let the copy of this award be given to both the parties.

Date: 19.06.2020  
Place: Lucknow

Justice Anil Kumar Srivastava  
Insurance Ombudsman

**PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF WESTERN U.P. AND  
UTTARAKHAND  
UNDER INSURANCE OMBUDSMAN RULES 2017  
OMBUDSMAN – SH. C.S.PRASAD  
CASE OF MR. ADITYA VERMAV/SHDFC LIFE INSURANCE COMPANY LIMITED  
COMPLAINT REF: NO:NOI-L-019-1920-0498**

**AWARD NO:**

1.	Name & Address of the Complainant	Mr. Aditya Verma, House No.162, Brij Vihar Colony, Opp. Takshashila School, SHAHJAHANPUR (U.P.) – 242001
2.	Policy No: Type of Policy Duration of policy/Policy period	21627867 Life (TermPlan) 44 Years
3.	Name of the insured Name of the policyholder	Mr. Aditya Verma, Mr. Aditya Verma
4.	Name of the insurer	HDFC LIFE Insurance Company Limited.
5.	Date of Repudiation	20.08.2019
6.	Reason for repudiation	Cancellation of policy and refund the premium within free look period.
7.	Date of receipt of the Complaint	10.11.2019
8.	Nature of complaint	Deduction of Charges
9.	Amount of Claim	Rs. 15050/-
10.	Date of Partial Settlement	Rs. 11538.55 on 20.8.2019
11.	Amount of relief sought	Rs. 3511.45
12.	Complaint registered under IOB rules	YES
13.	Date of hearing/place	11/03/2020, NOIDA
14.	Representation at the hearing	
	g) For the Complainant	ABSENT
	h) For the insurer	Sh . Kunal Aurora
15	Complaint how disposed	AWARD
16	Date of Award/Order	08/06/2020

**17) Brief Facts of case :-** This is a complaint filed by Sh. Aditya Verma against the decision of HDFC Life Insurance Company Ltd., relating to deduction of charges on



cancellation of policy within free look period and refund the premium of Insurance policy No. 21627867.

**18) Cause of Complaint:-** Deduction of charge by the company on cancellation of policy and refund the premium within free look period.

**Complainants argument** :-The complainant alleged that he was sold the above policy on 30.6.2019 with sum assured of Rs. 1 crore under term plan with yearly premium of Rs. 12754/-. The complainant deposited Rs. 15050/-for the above policy and submitted the details of existing policies to the Branch Manager , Mr. Brijesh at the time of taking the new policy. When he received the original policy bond from the company, he found that the details of existing policies was not mentioned in the new policy bond. He informed to the company that the details of existing policies have not been uploaded by insurer but no solution has not been provided by the company. The complainant applied for cancellation of policy and refund the premium within free look period. The company deducted Rs. 3511.45 from the deposited amount of Rs. 15050/-. The complainant dissatisfied with the decision of the company. The complainant has approached Insurance Ombudsman for redressal of his grievance.

**Insurers' argument:-**Insurer denied the allegations and contended that the above policy was issued on the basis of duly signed proposal forms and related documents submitted by the complainant and all the features of the said policies were explained to the complainant by our sales representative. The policy documents were also delivered on the address of the policy holder registered within the record of the company and the same has not been disputed by the complainant. If, the policy holder was not satisfied with the terms and conditions of the policy then he could have approached the company within free look period. However, It is further pertinent to mention that in order to resolve the dispute between the company and complainant, the premium amount has been refunded by the company without going into the merits of the case.

**19) Reason for Registration of Complaint:** Scope of the Insurance Ombudsman Rules 2017.

**20) The following documents were placed for perusal.**

- a) Complaint Letter
- b) Repudiation Letter
- c) Policy Document
- d) SCN

**21) Observations and Conclusion :-** :- Personal hearing of the case was fixed on 11/03/2020. The complainant could not attend the hearing and none represented him. But insurer was present during hearing . . However, the case was taken up on merit. The complainant approached the company to refund the premium of the above said

policy within free look period. The insurance company refunded the premium after deducting of Rs.3511.45. The complainant is not satisfied for deduction of Rs. 3511.45.

It is observed that the insurance company after receipt of the request for free look cancellation, refunded the premium after deducting of Rs.3511.45 according to IRDA Rules in case of cooling off. The action of insurance company is justified as per existing rules.

**AWARD**

**Taking into account the facts and circumstances of the case and the submissions made by insurer during the course of hearing, I find no merit in the complaint I see no reason to interfere with the decision of the insurance company.**

**The complaint is dismissed.**

Place: Noida.

Dated: 08.06.2020

**C.S. PRASAD  
INSURANCE OMBUDSMAN  
(WESTERN U.P. & UTTARAKHAND)**

**PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF WESTERN U.P. AND  
UTTARAKHAND**

**UNDER INSURANCE OMBUDSMAN RULES 2017**

**OMBUDSMAN – SH. C.S.PRASAD**

**CASE OF Mrs. ASHA SINHA V/S HDFC LIFE INSURANCE COMPANY LIMITED**

**COMPLAINT REF: NO: NOI-L-019-1920-0475**

**AWARD NO:**

<b>1.</b>	<b>Name &amp; Address of the Complainant</b>	Mrs. Asha Sinha, G-34, Shivalik Nagar, BHEL, Ranipur, Haridwar (UTTRAKHAND)-249403 Mob. No. 8126339235
<b>2.</b>	<b>Policy No: Type of Policy Duration of policy/Policy period</b>	16360318 Life (Regular Premium Unit Linked) 10 Years (PPT-10 YEARS)
<b>3.</b>	<b>Name of the insured Name of the policyholder</b>	Mrs. Asha Sinha, Mrs. Asha Sinha,
<b>4.</b>	<b>Name of the insurer</b>	HDFC Life Insurance Company Limited

5.	<b>Date of Repudiation</b>	16 .10.2018
6.	<b>Reason for repudiation</b>	Permanent full withdrawal of amount.
7.	<b>Date of receipt of the Complaint</b>	11/10/2019
8.	<b>Nature of complaint</b>	Unfair Business Practice
9.	<b>Amount of Claim</b>	Full withdrawal of amount
10.	<b>Date of Partial Settlement</b>	nil
11.	<b>Amount of relief sought</b>	Full withdrawal of amount
12.	<b>Complaint registered under IOB rules</b>	Yes
13.	<b>Date of hearing/place</b>	11.03.2020, 26.06.2020/ NOIDA
14.	<b>Representation at the hearing</b>	
	<b>a) For the Complainant</b>	Sh. Alok Sinha (Husband )
	<b>b) For the insurer</b>	Sh. Kunal Aurora
15	<b>Complaint how disposed</b>	AWARD
16	<b>Date of Award/Order</b>	30.06.2020

**17)Brief Facts of case :-** This is a complaint filed by Mrs. Asha Sinha against the decision of HDFC Life Insurance Company Ltd., relating to mis-selling of Insurance policy No. 16360318.

**18)Cause of Complaint:-** Unfair business practice by the representative of the company.

**a)Complainants argument :-** The complainant alleged that she was sold the above policy on 16.12.2013 at the age of 59 years with yearly premium of Rs.100000/- with provision to take pension at the end of policy or withdraw 100% fund value. After 5 year of lock-in-period, she enquired the fund value which was Rs. 565000/ only. When she felt that she had been cheated she wrote to the company for withdrawal of 100% unit fund value. The insurance company informed her that only 1/3 value of unit fund can be withdrawn and balance unit fund has to be re-invested in purchase of annuity. The company rejected her request for withdrawal of 100% unit fund value. The complainant has approached Insurance Ombudsman for redressal of her grievance.

**b)Insurers' argument:-** Insurer denied the allegations and contended that the above policy was issued on the basis of duly signed proposal forms and related documents submitted by the complainant. The complainant is an educated person and all the features of the said policies were explained to the complainant by our sales representative. The policy bonds were also delivered on the address of the policy holder registered within the record of the company and the same has not been disputed by the complainant. If, the policy holder was not satisfied with the terms and conditions of the policy then he could have approached the company within free look period. The complainant suddenly on 25.07.2018, 15.10.2018 and 16.10.2018 raised concerns with regards to withdrawal of entire amount of unit fund value. Accordingly,

HDFC Life replied to the complainant vide its emails dated 16.10.2018, 26.10.2018, 14.12.2018, 5.8.2019 and 23.9.2019. The above policy was issued a pension plan in year 2013. The insured deposited total 5 premiums against the policy. The complainant wants surrender to get entire amount of unit fund value. The complainant was only liable to get the one third of the accumulated amount and remaining amount would get instead into the annuity plan as per terms and conditions of the policy. The allegations made by the complainant in his complaint are denied being false and incorrect.

**19) Reason for Registration of Complaint:** Scope of the Insurance Ombudsman Rules 2017.

**20) The following documents were placed for perusal.**

- a) Complaint Letter
- b) Repudiation Letter
- c) Policy Document
- d) SCN

**21) Observations and Conclusion :-** Both the parties appeared on-line for personal hearing on 26.06.2020 and reiterated their submissions. The husband of the complainant represented the case on behalf of his wife.

The complainant also submitted her written argument through e-mail. The complainant stated that she requested for withdrawal of 100% unit fund value after 5 years lock in period of the policy. The insurance company rejected her request for withdrawal of 100% unit fund value. During the course of hearing, the insurance company stated that only 1/3 value of unit fund can be withdrawn after 5 years lock in period of policy and balance unit fund has to be re-invested in purchase of annuity.

I have examined the policy document and find that there is provision for payment of surrender value subject to prevailing regulations. As per the current prevailing regulation only 1/3 value of unit fund can be withdrawn and balance amount has to be reinvested for purchase of annuity. This is as per the guidelines issued by the regulator. I find that there is no valid reason to interfere with the decision of the insurance company. The decision of insurance company is justified as per terms and conditions of policy.

**AWARD**

**Taking into account the facts and circumstances of the case and the submissions made by both the parties during the course of hearing, I find no merit in the complaint I see no reason to interfere with the decision of the insurance company. The complaint is dismissed.**

**The complaint is dismissed accordingly.**

**Place: Noida.**

**Dated: 30.06.2020**

**C.S. PRASAD  
INSURANCE OMBUDSMAN  
(WESTERN U.P. & UTTARAKHAND)**