

# 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. NARAYAN.K. AMBEKAR V/s LIFE INSURANCE CORPORATION OF INDIA

Complaint No: BNG--L--0029--1819 – 0351 to 0354

Award No: IO/BNG/A/LI/0031, 0032, 0033, 0034/2019-2020

1.	Name & Address of the Complainant	Mr. Narayan.K. Ambekar # 157, 'Padmashree Residency', Flat No 101, 1 <sup>st</sup> Floor Dwarakanagar, Channasandra, Bangalore -560098 (M):9591723753 e-mail: narayan.kurmacharya@gmail.com			
2.	Policy No: Type of Policy: Name of the Policy: Commencement of Policy/ Policy Period/PPT	345339494(1) Life Jeevan Saral With Profits (plan No 165) 15.10.2008 20 Years	345339490(2) Life Jeevan Saral With Profits (plan No 165) 15.10.2008 15 Years	345359491(3) Life Jeevan Saral With Profits (plan No 165) 15.10.2008 15 Years	345339493(4) Life Jeevan Saral With Profits (plan No 165) 15.10.2008 20 Years
3.	Name of the Insured Name of the Policyholder	Mr. Narayan.K Ambekar under Policy No's (1) & (4) & Mrs. Rajani Ambekar under Policy No (2) & (3)			
4.	Name of the Respondent Insurer	LIC Of India – Bangalore D.O.-1			
5.	Date of Repudiation/ Rejection	16.11.2018			
6.	Reason for repudiation/ Rejection	Maturity claim settled by the RI is in order			
7.	Date of receipt of Annexure VI-A	11.12.2018			
8.	Nature of complaint	Short payment of maturity claim under all 4 policies			
9.	Amount of claim	(1) ₹. 1,95,,000/- + Interest			
10.	Date of Partial Settlement	N A			
11.	Amount of relief sought	₹. 1,95,000/- + Interest			
12.	Complaint registered under Rule No	13 (1) (b) of Insurance Ombudsman Rules, 2017			
13.	Date of hearing/place	10.04.2019 -- Bengaluru			
14.	Representation at the hearing				
	a) For the Complainant	Self			

	b) For the Respondent Insurer	Mr. Bheema Sen Rao – Manager (claims)
15.	Complaint how disposed	Allowed
16.	Date of Award/Order	09.05.2019

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

The complaint emanated due to short payment of maturity claim by Respondent Insurer (RI) on all the four policies held by the complainant and his spouse. Though he represented his grievance to the G.R.O. (Grievance Redressal Officer) of the RI, there was no response. Hence he has approached this Forum for redressal of his grievances.

**18. Cause of Complaint: -**

**a. Complainant's argument:**

The Complainant vide his letter dated 23.11.2018 stated that he and his spouse availed the said policies on 15.10.2008 for a period of 10 years from the RI. The said policies matured on 15.10.2018 and he submitted all the documents to the RI to enable them to settle the maturity claim. He was informed that he would be paid the maturity amount as per computer records maintained by the RI. When he verified his bank account statement, he realized that amount payable as per the policy bond was different from what he received as maturity claim. Though the policy bond is a legal document and binding on the RI to settle the maturity claim, the RI has denied the payment which is rightly due to him. The Complainant further contends that any person who takes the policy expects higher amount than the values printed on the policy because the said policies are 'with profits policy' and profits are declared on maturity of the policy. By paying the lower amount as maturity claim, the RI is following unfair trade practices which is totally unjustifiable. Hence he has approached this Forum seeking justice by way of an order to be decreed in his favour.

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

The RI vide their SCN dated 28.12.2018 has admitted to the issue of all the said policies and settlement of maturity claim. The said policies are Jeevan Saral (Plan No 165 - with profits). Originally policy number (1) & (4) were issued for a period of 20 years and policy number (2) & (3) were issued for 15 years. In Jeevan Saral Policy the maturity sum assured depends upon, age, term, and premium. The L.A. sought alteration i.e. reduction of term from 20 years & 15 years to 10 years and naturally maturity sum assured payable on maturity will also change. Accordingly the maturity benefit under Pol No (1) & Pol (4) ₹.42,210/- & For Policy No (2) & (3) were ₹.49,350/- is altered respectively. The Maturity benefit printed in the policy bond is payable only on maturity date (before Correction). Consequent as the premium did not change after alteration, the maturity benefit payable under the policy is reduced. Vide their letter dated 17.01.2019 the RI informed that the revised maturity benefit was not corrected in the policy bond. As such for the premiums paid by the policy holder for the given term, the maturity benefit (maturity claim) paid by the RI is in order. Hence, the RI has prayed the Forum for passing of appropriate order.

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

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

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**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 is whether the maturity claim settled by the RI under the said policies are in order.

During the personal hearing on 10.04.2019 the Complainant informed the Forum that the Complainant and his spouse availed 'Jeevan Saral Policy with Profits (Plan No 165) for a period of 20 Years under Policy No's (1) & (4) and for a period of 15 years under Policy Number (2) & (3) because of the trust he had with the RI. In view of his ensuing retirement he opted to reduce the term of the policy. The values of the policy were not altered consequent upon alteration and all along the Complainant and his spouse was under the impression that he would receive the maturity proceeds as per the policy bond. Even the discharge form issued by the RI indicated the maturity claim as per the policy schedule and he has signed the same, but he received lesser amount as maturity claim on all the four policies.

The RI on their part informed the forum, that they did not endorse the policy bond of the revised policy schedule consequent upon alteration of the said four policies.

The Forum notes that under Jeevan Saral Policy (Plan No 165) the maturity claim payable on maturity of the policy is 'Maturity Sum Assured'. Originally the 4 policies were issued for a term of 20 years & 15 years. During 2012, the Complainant sought the alteration /Reduction in term in view of his retirement. Though the term was reduced, the maturity sum assured was not revised. The forum notes that consequent to alteration, the RI did not revise the policy schedule for maturity sum assured. Further the RI issued the discharge form for maturity benefit which was printed in the bond and the Complainant was under the impression, that he would receive the maturity amount as indicated in the bond. Therefore the Forum notes that this is clear case of deficiency of service on the part of the RI.

Hence, the Forum directs the RI to pay the maturity sum assured as indicated in the policy bond along with the applicable loyalty addition if payable.

**AWARD**

Taking into account, the facts & circumstances of the case, and the submissions made by both the parties during the course of Personal hearing, the RI is directed to pay the difference of amount payable on all the four policies along with penal interest at 8.25%(6.25% bank rate +2% as per Sec 14(2)(iv) of Protection of Policy Holder Interest Regulations 2017) from the date of maturity of the policies till the date of payment.

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 30 days of the receipt of the award and intimate compliance of the same to the Ombudsman.**

Dated at **Bengaluru** on 09<sup>th</sup> Day of May 2019

**(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: MRS. EMERCIANA JOANNA DALMEIDA V/s BHARTI AXA LIFE INSURANCE COMPANY LIMITED

Complaint No: BNG—L--008--1819—0303

**Award No: IO/BNG/A/LI/0035/2019-2020**

- The Complainant vide her letter dated 31.10.2018 stated that she was lured by the representatives of the RI to avail the insurance policies with the promise of high returns on surrendering after 3 years. Accordingly the Complainant availed the 2 policies bearing number 501-7614552 & 501-7611293 on 13.07.2018. On receipt of the policy documents, she realized that she was cheated, and thereafter sought cancellation of the said policies during 'Free Look Cancellation' period. But the RI cancelled only one policy bearing No 501-7614552 and refunded the premium but did not cancel the second policy bearing policy number 501-7611293. Hence, she approached this Forum for cancellation of the second policy.
  - The RI vide their mail dated 18.03.2019 addressed to the Complainant made an offer to the Complainant that they were prepared to cancel the said policy and refund an amount of ₹30000/- and sought the Complainant's consent for the same. The Complainant by return of her mail dated 18.03.2019 addressed to RI (under copy to this Forum) has given the consent accepting the said offer. The Copy of the mail was marked to the Ombudsman withdrawing the complaint.
  - The RI vide their mail dated 06.05.2019 informed the Forum that they had cancelled the said policy on 02.04.2019 and refunded an amount of ₹30,000/- by NEFT to the Complainant and the same is credited to the Complainants account.
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**AWARD**

In view of the satisfactory resolution of the complaint, the said Complaint is 'closed and disposed of' accordingly. However the RI is directed to pay the interest at 8.25%(6.25% bank rate +2% as per Sec 14(2)(iv) of Policy Holders Interest Regulations 2017) from the date of filing the claim i.e. 14.08.2018 to till the date of payment.

**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 the compliance of the same to the Ombudsman.**

Dated at Bangalore on 09<sup>th</sup> Day of May 2019

**(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. RAVINDRA S KULKARNI V/S LIFE INSURANCE CORPORATION OF INDIA

Complaint No: BNG--L--029--1819--0368

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**Award No: IO/BNG/A/LI/0039/2019-2020**

- The Complainant vide his letter dated 30.11.2018 stated that the RI has suspended the annuity payment on his policy bearing No 663282479 from 2013 onwards without any pre intimation. The suspended amount along with interest works out to ₹20,096/-. Further vide his letter dated 17.12.2018 the Complainant stated that after registering his complaint with this Forum, the RI released an amount of ₹ 15640/- (which is annuity amount of ₹ 3128/- from the year 2013 to 2017, but did not pay the interest. Hence he has urged this Forum for balance of payment of interest of ₹5050/-from the RI.
- The RI did not attend the personal hearing on 10.04.2019, due to year end work. During the personal hearing on 30.04.2019 the RI informed the Forum that they have paid the annuity due from 2013 to 2018 @ ₹ 3128/-(i.e. 3128 X 6 = ₹ 18750/-) together with interest ₹ 3424/- (for the delayed payment of annuity from 2013 to 2017) and credited the same to the Complainants NEFT account.

**AWARD**

In view of the satisfactory resolution of the complaint, the said Complaint is 'closed and disposed of' accordingly. However the RI is directed to pay the balance of interest at 8.25% - 4.38%) as per Sec 14(2)(iv) of Policy Holders Interest Regulations 2017) from the date of filing the claim i.e. 14.08.2018 to till the date of payment.

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

- c. The Complainant shall submit all requirements/Documents required for settlement of award within 15 days of receipt of the award to the Respondent Insurer.**
- d. 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 the compliance of the same to the Ombudsman.**

Dated at Bangalore on 10<sup>th</sup> Day of May 2019

**(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)

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## OMBUDSMAN – NEERJA SHAH

In the Matter of Mr. Niranjana Jayaram V/s ICICI Pru Life Insurance Co Ltd.,

Complaint No: BNG-L-021-1819-0364

**Award No: IO/BNG/A/LI/0038/2019-2020**

1.	Name & Address of the Complainant	Mr. Niranjana Jayaram, # 201, 30/A Promenade Road Fraser Town, Bangalore 560 005 M: 9845058750 E-mail: <a href="mailto:niranjana.jayaram@gmail.com">niranjana.jayaram@gmail.com</a>
2.	Policy No: Type of Policy: Name of Policy Commencement of Policy/ Policy Period/PPT	09607071 Life - ULIP POLICY ICICI Pru Smart Kid – New Unit Linked RP 06.08.2008 10 years.
3.	Name of the Insured Name of the Policyholder	Mr. Niranjana Jayaram
4.	Name of the Respondent Insurer	ICICI Prudential Life Insurance Co Ltd.,
5.	Date of Repudiation/ Rejection	16.08.2018
6.	Reason for Repudiation/Rejection	Available Fund Value only payable on Maturity
7.	Date of receipt of Annexure VI A	31.12.2018
8.	Nature of complaint	Sum Assured not paid.
9.	Amount of claim	₹. 2,68,153.65
10.	Date of Partial Settlement	08.08.2018
11.	Amount of relief sought	₹. 2,68,153.65
12.	Complaint registered under Rule No	13 (1) (b) of Insurance Ombudsman Rules, 2017
13.	Date of hearing/place	10.04.2019 /Bengaluru
14.	Representation at the hearing	
	a) For the Complainant	Self
	b) For the Respondent Insurer	Mr. Sony – Manager Legal
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	10.05.2019

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

The dispute has arisen on account of non-settlement of full Sum Assured by Respondent Insurer (hereinafter referred to as RI), Despite taking up with the GRO of RI his request was not considered. Hence, the Complainant has approached this Forum.

### **18. Cause of Complaint: -**

#### **a. Complainant's argument:**

The Complainant vide his mail dated 25.10.2018 stated that he purchased the said policy from the RI. The RI issued a certificate that clearly states that the sum assured is ₹. 10,00,000/-. The said policy was an education policy called 'Smart Kid' Policy and the said policy promised to pay ₹. 10 Lakhs or higher against ₹. 5lakhs investment done over 10 years. The Complainant was informed that the policy was a unit policy

and at worst scenario the fund value would be ₹.10,00,000/-. The terms of the policy also state that at maturity the sum mentioned on the policy certificate would be considered. The death benefit was also ₹.10,00,000/-. However on maturity the RI has paid an amount of ₹.7.31 Lakhs. Even though other insurers were offering higher returns, the Complainant chose to take the said policy with the RI as he did not want to put 'all eggs in one basket'. Disappointed and upset with the RI, the Complainant has approached this Forum seeking settlement of balance amount of claim.

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

The RI in their SCN dated 27.12.2018 stated that they had received duly filled physical application form numbered LL21651209 along with signed Electronic Benefit Illustration. Based on the information provided in the said application/proposal form the Company had issued the policy bearing Number 09607071.

On the date of maturity of the policy, as per the policy conditions they had paid maturity benefit equivalent to the Fund Value under the policy. The RI state that as per the policy conditions sum assured of ₹ 10,00,000 would be payable only in the event of death of the life assured during the term of the policy. But as per Policy terms and conditions 2.3 on maturity of the policy maturity benefit equivalent to Fund Value under the policy shall be payable. Hence, the RI state they have acted as per the provisions of the policy conditions and the demand of payment of sum assured made by the Complainant is beyond the terms and conditions of the policy and hence in no circumstances the same can be adhered to by the Company. The RI have requested to dismiss the Complaint.

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

The complaint falls within the scope of Sec 13(1)(b) under Insurance Ombudsman Rules, 2017 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 the settlement of maturity claim by the RI is in order.

During the course of personal hearing on 10.04.2019 the Complainant reiterated his earlier submissions. The RI informed the Forum that they have settled the maturity claim as per policy terms and conditions.

The Forum after careful examination of records and submissions made during the hearing, notes that the Complainant availed the said policy on 06.08.2008. It is a ULIP policy for 10 year term with an annual premium payment of ₹. 50,000/-. The certificate of insurance issued by RI states that the Sum Assured is ₹.10,00,000/- and the benefits are payable as per policy document. Ongoing through the policy document it is printed in the bond under the clause 2.3. as:

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“2.3. Maturity Benefit payable on Cover Cessation Date provided the policy is in force:-

On the date of maturity of the policy, the maturity benefit equivalent to the Fund value under the policy shall be payable. The Policy holder shall have an option to receive the Fund Value as lump sum or as periodic payments over a period of up to 5 years...etc. The policy would be terminated upon the payment of the maturity value”

The Complainant has paid all the premiums due under the policy, and the said policy matured on 06.08.2018 and as per the policy conditions the RI credited an amount of ₹.7,31,846/- to the bank account of the Complainant and the Complainant has received the same.

Hence, the Forum notes that the RI has settled the Maturity benefit payable to the Complainant promptly as per the policy conditions.

**AWARD**

Taking into account the facts & circumstances of the case, the documents on record and the submissions made by both the parties, the Forum finds the decision of the RI is in order and does not require any interference at the hands of Ombudsman.

The complaint is **dismissed**.

Dated at Bengaluru this 10<sup>th</sup> Day of May 2019

**(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. N RAMESH KAMATH V/s LIFE INSURANCE CORPORATION OF INDIA

Complaint No: BNG-L-029-1819-0388

**Award No: IO/BNG/A/LI/0039/2019-2020**

1.	Name & Address of the Complainant	Mr. N Ramesh Kamath S/o Sri Narasimha Kamath Agriculturists Ripponpete Hosanagar Taluk Shimoga Dist - 577426 Mob # 8762185414
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2.	Policy No: Type of Policy: Name of the Policy: Commencement of Policy/ Policy Period/PPT	624711916 Life Jeevan Saral (With – Profits) 01.04.2006/14 Years
3.	Name of the Insured Name of the Policyholder	Mr. N Ramesh Kamath
4.	Name of the Respondent Insurer	LIC Of India –Shimoga Division
5.	Date of Repudiation/ Rejection	29.11.2018
6.	Reason for repudiation/ Rejection	Typographical error in the policy bond
7.	Date of receipt of Annexure VI-A	31.12.2018
8.	Nature of complaint	Maturity Sum Assured altered by RI after receipts of all premiums at the end of the term of the policy.
9.	Amount of claim	₹.84,000/- (Refund of Premiums) + Interest at Bank Rate from policy commencement date
10.	Date of Partial Settlement	N A
11.	Amount of relief sought	₹.84,000/- (Refund of Premiums) + Interest at Bank Rate from policy commencement date
12.	Complaint registered under Rule No	13(1) (f) of Insurance Ombudsman Rules, 2017
13.	Date of hearing/place	25.04.2019 - Bengaluru
14.	Representation at the hearing	
	a) For the Complainant	Self
	b) For the Respondent Insurer	Mr. Narayana N - Manager (CRM)
15.	Complaint how disposed	Allowed
16.	Date of Award/Order	10.05.2019

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

The complaint emanated due to the correction done by Respondent Insurer (RI) in maturity Amount of the policy document at the end of the policy term citing the typographical error. RI and the Grievance Redressal Officer (G.R.O.) of the RI have not acknowledged his letters. Hence Complainant approached this Forum for redressal of grievance.

### **18. Cause of Complaint: -**

#### **a. Complainant's argument:**

The Complainant vide his letter dated 15.12.2018 stated that he purchased the said policy in the year 2006 for a period of 14 years by paying the annual premium of ₹.6005/- after considering the attractive features of the said policy as explained by the agent of the RI. He has paid the annual premiums regularly and was waiting for the benefits of the policy on the date of maturity i.e., 01/04/2020 when he would get the sum assured of ₹. 1,25,000/- as printed in the Schedule of the policy. He was shocked to receive a letter dated 22.05.2018 from the RI conveying their unilateral decision of correcting the maturity sum assured to ₹. 36,150/-. Aggrieved with the decision of the RI, he represented his case to G.R.O seeking restoration of the maturity sum assured to ₹. 1,25,000/- which was denied by the RI

The Complainant submitted that RI informed this correction/ Typographical mistake on their part during the 13<sup>th</sup> year of the policy, had they informed the Maturity amount under this policy as ₹. 36,150/- at the time of the commencement of the policy, he would have definitely discontinued the policy in the first year itself, thereby saving huge sum of money amounting to more than ₹. 2,00,000/- towards the premium and interest for 13 years.

The Complainant submitted that it is adapted practice in the a well administered financial institutions like Banks, Post Office and Insurance companies any financial loss caused to the customer on account of lapse/negligence of the administration/employee, it is not passed on to the customer. Instead, action would be taken against the erring and negligent employees apart from recovering pecuniary loss. He further submitted that why a customer has to bear the loss of a mistake which he has not committed and stated that the persons who prepared, checked and signed the policy documents are equally responsible for lapses/mistakes.

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

The RI vide their SCN dated 29.11.2018 has admitted to the issuance of the policy with typographical error in the maturity sum assured which was shown as blank in the policy document. As per the policy and the term opted by the Complainant the maturity amount will be ₹. 36,150/-. Corresponding loyalty additions will be paid on the date of the maturity 01.04.2020 in addition to the above mentioned maturity amount.

RI submitted that the policy schedule of Jeevan Saral policy issued to the complainant has only 2 rows printed instead of 4 rows in the columns Maturity Sum assured, Death Sum Assured, Accident Benefit Sum Assured and Term Rider Sum Assured. However in the internal masters the data was recorded correctly. After the receipt of the complaints from the various policy holders, they have called for the Policy Document in such cases and corrected the Maturity Sum Assured. The Complainant was also informed about the mistake vide our letters 22.05.2018, 12.09.2018, 29.10.2018 and 29.11.2018 with reference to his earlier

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complaints. RI further stated that as per the policy condition of Jeevan Saral, Death Sum Assured is the criteria to arrive at the premium to be paid. Under this policy, the Complainant had opted for ₹. 1,25,000/- as Death Sum Assured which is payable during the policy term on the occurrence of the event(death). He has also opted for the Accidental Death Sum Assured for an amount of ₹. 1,25,000/-. Term Rider was left blank as the same was not opted by him.

RI submitted that they sincerely regret the inconvenience caused to the Complainant in this regard and all this has been explained to him over his mobile phone. Since this is a case of Technical program error in printing there is no lapse on the part of the employees and as such no loss on the part of the policy holder too.

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

The complaint falls within the scope of Insurance Ombudsman Rules, 2017.

**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 before the Forum is, whether the action taken by the RI in correcting the Maturity Sum Assured in 13<sup>th</sup> year of the 14 years policy term is correct.

During the personal hearing, both the parties reiterated their earlier submissions.

The Forum notes that Jeevan Saral Policy with profits (Plan No 165) is a high risk policy where the death benefit payable (risk cover) is 250 times the monthly premium and if the Life Assured survives the maturity date, maturity benefit is payable. The death benefit is related to the premium payable throughout the term of the policy, whereas the maturity benefit is dependent upon age, premium, and term of the policy. The maturity benefit is considerably less compared to the death benefit as the majority portion of the total premium paid is appropriated towards the risk cover in this policy.

The Forum notes that the Complainant availed the said policy in the year 2006 for an annual premium of ₹. 6005/- (i.e. monthly premium of ₹. 500/- P.M.). The schedule shows that the death benefit is ₹. 1,25,000/- but the Maturity Sum Assured is not shown in the schedule. But the RI did not specifically indicate the maturity benefit payable under the said policy. The Forum notes that it is the duty of the RI to specifically indicate the benefits payable under different contingencies. But the RI omitted to indicate the maturity benefit payable in the proposal form and also in the policy bond and also in all the earlier communications (like premium paid receipts) to the Complainant. They have admitted that the error occurred due to the technical error in the print program. This is clear deficiency on the part of the RI.

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The Forum finds that the term of the policy was 14 years and the RI rectified their typographical error in 13<sup>th</sup> year of the policy term which is just one year short from maturity date. It is learnt that this error in Jeevan Saral policy came to the notice of the RI in the year 2015 and circular no "Ref: CO/CRM/Claims/2015-16/76" dated 27.07.2015 was issued to address the discrepancies in the policy bond of policies issued under Jeevan Saral Plan. As seen in the para 6 in the circular, it was directed to all the Zonal Managers that the necessary action to rectify the policies issued inter-alia in the year 2005-06 should be completed before 31.03.2016.

The Forum notes that the first communication to rectify the policy was given to the Complainant as on 22.05.2018. This is a clear deficiency on the part of the RI. Had the rectification in the policy document been done before 31.03.2016, the Complainant would have understood that the maturity Sum Assured as ₹ 36,500/- and not as he thought all along on the basis of policy document issued in the year 2006. The Forum further notes that the correction was not done in the policy bond as prescribed in the subsequent circular "Ref: CO/CRM/Claims/2015-16/78" dated 25.08.2015 wherein the endorsement was not placed in the policy bond. The Maturity Sum Assured of ₹ 36,500/- has been found inserted by hand in the original schedule. The Complainant was 56 years old when the policy was commenced and is now 68 years old. To modify the policy unilaterally without giving the exit option (free look) is not justifiable in this case. This resulted in acute financial distress to the policy holder.

Furthermore, it is noted from the proposal form submitted by the complainant and accepted by the RI that the Sum proposed under the basic plan is shown as ₹ 1,25,000/-. In the policy schedule maturity sum assured as well as death benefit sum assured under the main plan are both mentioned as ₹ 1,25,000/- . In the absence any rectification/amendment done in the schedule of the original policy bond without following due procedure as envisaged in the circulars mentioned above, it can be safely stated that the RI agreed to honour the Maturity Sum of ₹ 1,25,000/- to the Complainant in this case.

The Complainant has to await the completion of the term of the policy to avail the Maturity Sum Assured of ₹ 1,25,000/- in this case for the policy number 624711916.

The Complaint is Allowed.

**AWARD**

Taking into account, the facts & circumstances of the case, and the submissions made by both the parties during the course of Personal hearing, the Respondent Insurer is directed to consider the Sum Assured on maturity as mentioned in the proposal form i.e., ₹ 1,25,000/- and pay the same on maturity of the policy.

Hence, the complaint is **Allowed**.

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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 10<sup>th</sup> day of May 2019

**(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. DINAKAR VENKATESH PAI V/s LIFE INSURANCE CORPORATION OF INDIA

Complaint No: BNG—L--029--1819 – 0425

**Award No: IO/BNG/A/LI/0042/2019-2020**

1.	Name & Address of the Complainant	Mr. Dinakar Venkatesh Pai 'Pai Medicals' C.P. Bazaar Sirsi – 581401 Uttara Kannada Dist. (M): 9972051023
2.	Policy No: Type of Policy: Name of the Policy: Commencement of Policy/ Policy Period/PPT	639256896 Life LIC'S Jeevan Saral With Profits (Plan No 165) 22.12.2008 10 Years
3.	Name of the Insured Name of the Policyholder	Mr. Dinakar Venkatsh Pai
4.	Name of the Respondent Insurer	LIC Of India – Dharwad Do
5.	Date of Repudiation/ Rejection	07.12.2018
6.	Reason for repudiation/ Rejection	Settlement of Maturity Claim is in order
7.	Date of receipt of Annexure VI-A	14.01.2019
8.	Nature of complaint	Short payment of maturity claim ₹. 19588/-
9.	Amount of claim	₹. 19588/-
10.	Date of Partial Settlement	N A
11.	Amount of relief sought	₹. 19,588/- + Interest

12.	Complaint registered under Rule No	13(1)(b)of Insurance Ombudsman Rules, 2017
13.	Date of hearing/place	08.05.2019 - Bengaluru
14.	Representation at the hearing	
	a) For the Complainant	Self
	b) For the Respondent Insurer	Mr. Turamari – Manager(C.R.M.)
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	23.05.2019

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

The complaint arose due to short payment of maturity claim on the said policy by the Respondent Insurer (RI). Though the Complainant approached the Grievance Redressal Officer of the RI, there was no response from them. Hence, he has approached this Forum for balance of payment under the said policy.

**18. Cause of Complaint: -**

**a. Complainant's argument:**

The Complainant vide his letter dated 12.12.2018 stated that he availed the said policy in the year 2008 by paying an annual premium of ₹.3002/- P.A. In all he has paid ₹.30020/- . He received the maturity intimation for ₹.33,107/-. But while availing the policy in the year 2008, he was issued a pamphlet/handbill wherein it is printed that on maturity he would be eligible for ₹.52694/-. He has urged this Forum to investigate as who has printed that hand bill and whether it is original or fake? He is at a loss to understand as to why there is difference in amount to what was promised to him at the time of availing the policy and at the time of settlement of claim. Since he is in urgent need of money for his daughter's marriage, he has sought this Forums help seeking the directions to the RI to pay the difference in claim amount with interest.

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

The RI vide their SCN dated 07.01.2019 has stated that the Complainant availed the said policy in 2008 for a period of 10 years by paying an annual premium of ₹.3002/-. It is a 'Jeevan Saral' Policy (Plan No 165). It is a different type of policy wherein the risk cover is 250 times the monthly premium. Upon death in addition to basic sum assured, total premium paid along (excluding first years premium and all extra premiums) with loyalty addition if any is paid. The Maturity sum assured is defined depending upon age at entry and term of the policy and the same is printed in the bond. If the policy is in full force and provided at least 10 years premium is paid, then loyalty addition is paid as per RI's experience from time to time. All the values are printed correctly in the policy schedule. As the RI has settled the maturity claim correctly as per terms and conditions of the policy, the RI has prayed for dismissal of the said complaint.

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

The complaint falls within the scope of Insurance Ombudsman Rules, 2017 under Sec 13(1)(b) 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 any short payment of maturity claim on the said policy.

During the personal hearing on 08.05.2019, the Complainant informed the Forum that he relied upon the pamphlet/hand bill, that was circulated by the sales representatives of the RI and he availed the said policy in the year 2008 by paying an annual premium of ₹.3002/- for a period of 10 years. In all he has paid ₹.30020/-. Since he relied upon the 'pamphlet/handbill which was made available to him at the time of availing the said policy, he is seeking this Forums directions to RI to make the balance of payment of maturity claim on the said policy on the basis of pamphlet/handbill.

The RI on their part, informed the forum that they have made the payment as per policy terms and conditions.

The Forum after careful examinations of records and further deliberations during the personal hearing has observed that the Complainant availed the 'Jeevan Saral Policy (Plan 165) for a period of 10 years by paying an annual premium of ₹.3002/-. In this policy the risk cover and maturity sum assured are different. On Maturity of the said policy 'maturity benefit' as indicated in the policy bond together with loyalty addition if any, is payable. The Complainant has paid all the premiums under the policy and the said policy matured in 2018 and the RI has settled the maturity claim (i.e. maturity benefit under the policy + loyalty addition as declared by the RI) as per policy terms and conditions of the policy.

The Complainant could not convince the Forum as to why he did not contact the RI about the discrepancy in the policy bond, during the currency of the policy. The Complainant should have approached the RI during the 'Cooling Off Period' which the Complainant failed to do so. The Forum also noted that the Complainant being a prudent businessmen should not rely on pamphlets/hand bills as they are used only to solicit the business and do not have legal sanctity. In insurance policies the Complainant is required to rely on the policy document which is a legal document which over rules the pamphlets.

The forum notes that the RI has issued the policy correctly and the schedule also is printed correctly and have settled the maturity claim correctly as per terms and conditions of the policy.

**AWARD**

Taking into account, the facts & circumstances of the case, and the submissions made by both the parties during the course of Personal hearing,

Hence, the complaint is '**Dismissed**'.

Dated at **Bengaluru** on 23<sup>th</sup> May 2019

**(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. JAYADEVAPPA. K. V/s LIFE INSURANCE CORPORATION OF INDIA

Complaint No: BNG--L--029--1819– 0420

**Award No: IO/BNG/A/LI/0048/2019-2020**

1.	Name & Address of the Complainant	Mr. K. Jayadevappa Marketing Manager D.K. Milk Union Limited 'Kulashekara' Mangalore – 575005 (M):9448170748 E-Mail:mm.dkmul@gmail.com
2.	Policy No: Type of Policy: Name of the Policy: Commencement of Policy/ Policy Period/PPT	720653951 Life- Annuity Jeevan Suraksha With Terminal Bonus with Life Cover 22.02.1997 20 Years
3.	Name of the Insured Name of the Policyholder	Mr. K. Jayadevappa
4.	Name of the Respondent Insurer	LIC of India – Mysore D.O.
5.	Date of Repudiation/ Rejection	NA
6.	Reason for repudiation/ Rejection	NA
7.	Date of receipt of Annexure VI-A	14.01.2019
8.	Nature of complaint	Annuity not paid as per policy conditions.
9.	Amount of claim	₹. 64,306 + Interest
10.	Date of Partial Settlement	N A
11.	Amount of relief sought	₹.64,306/- + Interest@18% + ₹. 10,000/- as advocate charges
12.	Complaint registered under Rule No	13(1)(a) of Insurance Ombudsman Rules, 2017
13.	Date of hearing/place	08.05.2019 - Bengaluru
14.	Representation at the hearing	
	a) For the Complainant	Self
	b) For the Respondent Insurer	Mrs. Rajalakshmi - Manager(C.R.M.)
15.	Complaint how disposed	Allowed
16.	Date of Award/Order	28.05.2019

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

The complaint arose due to non-settlement of annuity on the said policy by the RI. Though he addressed umpteen letters to G.R.O. (Grievance Redressal Officer) of the RI, they informed him to submit the necessary forms so that they could process the annuity. Since he has not been paid the annuity as per the policy bond, he has approached this Forum.

### **18. Cause of Complaint: -**

#### **a. Complainant's argument:**

The Complainant vide his letter dated 30.08.2018, has informed that he availed the said policy on 22.02.1997 for a period of 20 years, by paying an annual premium of ₹. 3144/-. The age on which annuity vests was, on himself completing 55 years. Accordingly as per policy bond, he should be paid an annuity of ₹.2923/- w.e.f. 22.02.2017. However the RI has not paid the said annuity even after 2 years. **He has approached this Forum for delay in payment of annuity, along with interest, on the principle that RI would charge interest for delayed payment of premium.**

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

The RI vide their SCN dated 10.01.2019, admitted to the issuance of the said policy. While calculating the premium, the RI has **mentioned the term of the policy as 20 years** instead of 21 years. Further, to pay annuity under the said policy **on vesting, the Complainant has to exercise the options for payment of required type of Annuity. Since the Complainant has not exercised the said option, the RI has not released the annuity** under the said policy.

### **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 the action of non-payment of annuity by the RI under the said policy is justified.

During the personal hearing on 08.05.2019 the Complainant informed the Forum that he availed the said policy from the RI on 22.02.1997 by paying an annual premium ₹.3144/- for a period of 20 years. The RI informed the Complainant that there was some error in the said policy and as such he was required to pay one more instalment premium. Accordingly the Complainant paid one more yearly premium of ₹.3144/-. Even after payment of the said premium, the RI is not coming forward to settle the annuity in his favour. Upset with the indifferent attitude of the RI, the Complainant informed the Forum that he was prepared to take entire NCO (Notional Cash Option) together with all outstanding annuities with interest.

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The RI informed the Forum that the age of the life assured was taken wrongly while issuing the said policy in 1997 and hence the annuity amount, vesting date, term of the policy was printed wrongly in the policy bond. However on 21.08.2018 i.e. 6 months after the date of vesting, the RI informed the Complainant about the discrepancy in the said policy bond and advised the Complainant to submit the option letter to enable them to release the annuity. But the Complainant has not submitted his preferences as per that option letter and hence they could not release the annuity.

The Forum after careful examination of the records and deliberations notes that the Complainant availed 'Jeevan Suraksha Policy with Terminal Bonus with Life Cover' by paying an annual premium of ₹.3144/- for a period of 20 years. The said policy vested on 22.02.2017. As there was error in the policy, the RI informed the Complainant to pay one more yearly premium and accordingly the Complainant has paid the same. The RI has also not intimated the policy holder 6 months in advance of vesting, the annuity option if the policy holder desires a change in type of annuity which is a serious service deficiency. The NCO increased from ₹.2,08,877 to ₹.2,30,330/- as per the option letter dated 14.02.2018 given by the RI to the Complainant. The RI did not correct the policy schedule for term of the policy, age of the annuitant, annuity amount, and date of vesting, during deferment period which is also a service deficiency. The Forum notes that the pension amount cannot be altered by the RI unilaterally after the date of vesting at a belated stage.

From the materials placed before the Forum, the Forum notes that as per the policy terms and conditions, printed in the bond, the Complainant is required to exercise the option, 6 months before the date of annuity, to be eligible for payment of annuity under the said policy. But the annuitant/Complainant has not exercised the said option. Hence the Forum directs the RI as follows:-

"If the annuitant had not exercised any option i.e. minimum 6 months before the date of vesting, then it will be presumed that he had exercised the OPTION - D i.e. Pension Guaranteed for 15 years and life thereafter" as per their circular.

During the Course of personal hearing, the RI expressed their inability to pay the enhanced annuity of ₹.2923/- as their computer system would pay the annuity in proportion to the NCO and as per the option exercised by the Complainant.

In case the RI computer system is unable to process annuity for an amount of ₹.2923/- the RI may do so manually to give the benefit to the Complainant.

Though the Complainant expressed his wish to take full NCO + all outstanding annuities with penal interest, the Complainants request is rejected as there is no provision in the policy to surrender the policy after vesting.

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**AWARD**

Taking into account, the facts & circumstances of the case, and the submissions made by both the parties during the course of Personal hearing, the RI is directed to pay the monthly annuity of ₹2923/- as indicated in the bond together with interest @ 8.50%(6.50% +2% a per Regulation 14.2 (iv) of Policy Holders Interest Regulation 2017 from the date of vesting i.e. 22.02.2017 till the date of payment. .

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 the 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 30 days of the receipt of the award and intimate compliance of the same to the Ombudsman.

Dated at **Bengaluru** on 29<sup>th</sup> day of May **2019**

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

**PROCEEDINGS BEFORE - THE INSURANCE OMBUDSMAN, STATE OF M.P. & C.G.**  
**(UNDER RULE NO: 16(1)/17 OF THE INSURANCE OMBUDSMAN RULE 2017)**

Mr. Ashok Kumar Garg..... Complainant

V/S

Life Insurance Corporation of India .....Respondent

**COMPLAINT NO: BHP-L-029-1819-0453**

**Order No. IO/BHP/A/LI/ 0036 /2019-2020**

<b>1.</b>	<b>Name &amp; Address of the Complainant</b>	<b>Mr. Ashok Kumar Garg, C-262, Anand Nagar, Gwalior</b>
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2.	Policy No: Type of Policy Duration of policy/DOC	201725451 Bima Bachat 04.09.2009
3.	Name of the insured Name of the policyholder	Mr. Ashok Kumar Garg -same-
4.	Name of the insurer	LIC OF INDIA
5.	Date of Repudiation/Rejection	-
6.	Reason for repudiation/Rejection	-
7.	Date of receipt of the Complaint	04.01.2019
8.	Nature of complaint	Less payment of Maturity amount
9.	Amount of Claim	Rs.24,500/-
10.	Date of Partial Settlement	
11.	Amount of relief sought	Rs.64870-Rs.40370= Rs.24,500/- (Balance amount)
12.	Complaint registered under Rule	Rule No. 13(1)(b) of Ins. Ombudsman Rule 2017
13.	Date of hearing/place	06.05.2019 at Bhopal
14.	Representation at the hearing	
	a) For the Complainant	Mr. Ashok Kumar Garg
	b) For the insurer	Mr. Vijendra Singh , A.O.
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	06.05.2019

- Mr. Ashok Kumar Garg (Complainant) has filed a complaint against Life Insurance Corporation of India (Respondent) alleging less payment of maturity amount.
- **Brief facts of the Case** - The complainant has stated that the above policy was taken by him from the respondent company. At the time of taking the policy agent gave a pamphlet and informed him that on maturity he will get Rs. 64,870/- but on maturity dated 04.09.2018 respondent has deposited only Rs. 40,370/- in his account. He made request for payment of balance amount before the respondent but respondent had not paid balance amount. The complainant approached this forum for payment balance amount.  
The respondent in their SCN have stated that under above policy Survival Benefit payment (15% of Sum Assured) were made twice in 9/2012 and 9/2015 for Rs. 7500/- each (7500/- +7500/- =15,000/-). Respondent has further stated that Maturity Claim amount Rs. 40370/- in 8/2018 was paid (Basic amount Rs.34870/- and loyalty addition of Rs. 5500/-). Hence an amount of Rs. 55370/- (40370/- + 15000/-) was paid to policyholder which is as per policy conditions.
- The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent filed SCN with enclosures.

- Efforts for mediation failed. I have heard both the parties at length and perused papers filed on behalf of the complainant as well as the Insurance Company.
- LIC's single premium money back policy (Bima Bachat) was issued to the complainant on 04.09.2009 with maturity date as 04.09.2018. Complainant has argued that the agent of the respondent had given a pamphlet in which on maturity amount of Rs.64,870/- was payable and respondent had paid only Rs.40,370/- which was less with Rs.24,500/-. The representative of the respondent during hearing has stated that under this policy survival benefit payment @ 15% of sum assured amounting Rs.7,500/- were made twice in September, 2012 & 2015 and as per policy terms & condition basic amount of Rs.34,870/- + loyalty addition of Rs.5500/- totaling Rs.40,370/- was paid to the policy holder. At the face of policy payable survival benefit is mentioned which shows that for policy term 9 year 15% of the sum assured at the end of third and sixth policy year is payable. It is also mentioned in policy that on maturity single premium + loyalty addition are payable. As per SCN survival benefit payment and maturity amount were paid by the respondent which is in accordance with the policy terms & condition. Hence, payment made by respondent is justified.
- In view of the above facts and circumstances, I come to the conclusion that the respondent has paid survival benefit and maturity amount in accordance with terms & conditions of the policy and there is no reason to interfere with the decision of the respondent, hence complaint is liable to be dismissed.
- The complaint filed by Mr. Ashok Kumar Garg stands dismissed herewith.
- Let copies of Award be given to both the parties.

**Dated: May 06, 2019**

**Place : Bhopal**

**(G.S.Shrivastava)  
Insurance Ombudsman**

**Mr. Beni Ram Sahu..... Complainant**

**V/S**

**Life Insurance Corporation of India .....Respondent**

**COMPLAINT NO: BHP-L-029-1819-0497  
2020**

**Order No. IO/BHP/A/LI/ 0044/2019-**

1.	<b>Name &amp; Address of the Complainant</b>	<b>Mr. Beni Ram Sahu, Laxmi Niwas, Near Balram Talkies, Bilaspur (CG)</b>
2.	<b>Policy No: Type of Policy Duration of policy/DOC</b>	<b>358237416 Wealth Plus 25.03.2010</b>
3.	<b>Name of the insured Name of the policyholder</b>	<b>Mr. Beni Ram Sahu -same-</b>
4.	<b>Name of the insurer</b>	<b>Life Insurance Corporation of India</b>
5.	<b>Date of Repudiation/Rejection</b>	-
6.	<b>Reason for repudiation/Rejection</b>	-
7.	<b>Date of receipt of the Complaint</b>	<b>04.02.2019</b>
8.	<b>Nature of complaint</b>	<b>Informed less maturity amount</b>
9.	<b>Amount of Claim</b>	
10.	<b>Date of Partial Settlement</b>	
11.	<b>Amount of relief sought</b>	<b>Premium amount Rs.1,50,000/- with interest</b>
12.	<b>Complaint registered under Rule</b>	<b>Rule No. 13(1)(b) of Ins. Ombudsman Rule 2017</b>
13.	<b>Date of hearing/place</b>	<b>09.05.2019 at Bhopal</b>
14.	<b>Representation at the hearing</b>	
	<b>c) For the Complainant</b>	<b>Absent</b>
	<b>d) For the insurer</b>	<b>Mr. S.L.Bhoi Manager CRM</b>
15.	<b>Complaint how disposed</b>	<b>Dismissed as pre-mature</b>
16.	<b>Date of Award/Order</b>	<b>09.05.2019</b>

- Mr. Beni Ram Sahu (Complainant) has filed a complaint against Life Insurance Corporation of India (Respondent) alleging wrong information of maturity amount.
- **Brief facts of the Case -** The complainant has stated that the above policy was taken by him from the respondent company. It was assured in pamphlet of LIC's Wealth Plus plan that "Get five times return with maturity & guarantee of highest NAV in 7 years". It is further stated that he has deposited Rs.1,50,000/- but after maturity, it was informed by Branch office Bilaspur of respondent that maturity amount of his policy is only Rs. 96937/-. He made request before the respondent but no action taken by the respondent. The complainant approached this forum for payment of full promised amount with interest.

The respondent in their SCN have stated that as per the terms and conditions of the policy, highest NAV payable for the first 7 years from the date of commencement or the NAV on the date of Maturity, whichever is highest is payable to the policy holder. On the above policy highest NAV for the first seven years from the date of commencement was 14.5099 and NAV on the date of maturity i.e. 25.03.2018 was 15.3984 and total units allotted were 6295.278.

Accordingly the policyholder will be paid Rs.96937/- (15.3984 x 6295.278). It is further stated that there is a provision of risk coverage equal to the amount of sum assured for 2 years after the date of maturity.

- The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent filed SCN with enclosures.
- Complainant remained absent during hearing and sent a letter dated 22.04.2019 for his absence. I have heard respondent's representative at length and perused papers filed on behalf of the complainant as well as the Insurance Company.
- As per complaint, the complainant was informed by the branch of respondent that maturity amount of policy shall be Rs. 96937/-. Nothing is on record to show that the complainant had claimed maturity amount under policy. It is evident from the SCN that till date of hearing no payment has been made to the policy holder as the policy holder has not full filled requirements. Hence, it is clear that complainant had not claimed maturity amount and no action has been taken and no order has been passed by the respondent. As the complainant had not claimed for the maturity amount of the policy and no order has been passed by the respondent, hence complaint is pre-mature and is liable to be dismissed without entering into the merits of the complaint.
- The complaint filed by Mr. Beni Ram Sahu stands dismissed as pre-mature.
- Let copies of Award be given to both the parties.

**Dated : May 09,2019**  
(G.S.Shrivastava)

**Place : Bhopal**  
**Ombudsman**

**Insurance**

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**Mrs. Laxmi Sahu..... Complainant**

**V/S**

**Life Insurance Corporation of India .....Respondent**

**COMPLAINT NO: BHP-L-029-1819-0467**  
**2020**

**Order No. IO/BHP/A/LI/ 0043/2019-**

<b>1.</b>	<b>Name &amp; Address of the Complainant</b>	<b>Mrs. Laxmi Sahu, Laxmi Niwas, Near Balram Talkies, Bilaspur (CG)</b>
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2.	<b>Policy No:</b> <b>Type of Policy</b> <b>Duration of policy/DOC</b>	<b>358236473</b> <b>Wealth Plus</b> <b>11.03.2010</b>
3.	<b>Name of the insured</b> <b>Name of the policyholder</b>	<b>Mrs. Laxmi Sahu</b> <b>Mrs. Laxmi Sahu</b>
4.	<b>Name of the insurer</b>	<b>Life Insurance Corporation of India</b>
5.	<b>Date of Repudiation/Rejection</b>	-
6.	<b>Reason for repudiation/Rejection</b>	-
7.	<b>Date of receipt of the Complaint</b>	<b>14.01.2019</b>
8.	<b>Nature of complaint</b>	<b>Informed less maturity amount</b>
9.	<b>Amount of Claim</b>	-
10.	<b>Date of Partial Settlement</b>	
11.	<b>Amount of relief sought</b>	<b>Premium amount Rs.1,50,000/- with interest</b>
12.	<b>Complaint registered under Rule</b>	<b>Rule No. 13(1)(b) of Ins. Ombudsman Rule 2017</b>
13.	<b>Date of hearing/place</b>	<b>09.05.2019 at Bhopal</b>
14.	<b>Representation at the hearing</b>	
	<b>e) For the Complainant</b>	<b>Absent</b>
	<b>f) For the insurer</b>	<b>Mr. S.L.Bhoi Manager CRM</b>
15.	<b>Complaint how disposed</b>	<b>Dismissed as pre-mature</b>
16.	<b>Date of Award/Order</b>	<b>09.05.2019</b>

- Mrs. Laxmi Sahu (Complainant) has filed a complaint against Life Insurance Corporation of India (Respondent) alleging wrong information of maturity amount.
- **Brief facts of the Case** - The complainant has stated that the above policy was taken by her from the respondent company. It was assured in pamphlet of LIC's Wealth Plus plan that "Get five times return with maturity & guarantee of highest NAV in 7 years". It is further stated that she deposited Rs.1,50,000/- but after maturity it was informed by Branch office Bilaspur of responded that maturity amount of her policy is only Rs.1,48,320/-. She made request before the respondent but no action taken by the respondent. The complainant approached this forum for payment of full promised amount with interest.

The respondent in their SCN have stated that as per the terms and conditions of the policy, highest NAV payable for the first 7 years from the date of commencement or the NAV on the date of Maturity, whichever is highest is payable to the policy holder. On the above policy highest NAV for the first seven years from the date of commencement is 14.2343 and NAV on the date of maturity i.e. 15.03.2018 was 15.4101 and total units allotted are 9624.873. Accordingly the policyholder will be paid Rs.1,48,320/- (15.4101 x 9624.873). It is further

stated that there is a provision of risk coverage equal to the amount of sum assured for 2 years after the date of maturity.

- The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent filed SCN with enclosures.
- Complainant remained absent during hearing and sent a letter dated 22.04.2019 for her absence. I have heard respondent's representative at length and perused papers filed on behalf of the complainant as well as the Insurance Company.
- As per complaint, the complainant was informed by the branch of respondent that maturity amount of policy shall be Rs. 1,48,320/-. Nothing is on record to show that the complainant had claimed maturity amount under policy. It is evident from the SCN that till date of hearing no payment has been made to the policy holder as the policy holder has not full filled requirements. Hence, it is clear that complainant had not claimed maturity amount and no action has been taken and no order has been passed by the respondent. As the complainant had not claimed for the maturity amount of the policy and no order has been passed by the respondent, hence complaint is pre-mature and is liable to be dismissed without entering into the merits of the complaint.
- The complaint filed by Mrs. Laxmi Sahu stands dismissed as pre-mature.
- Let copies of Award be given to both the parties.

**Dated : May 09,2019**  
**(G.S.Shrivastava)**

**Place : Bhopal**  
**Ombudsman**

**Insurance**

**Mr. Mohan Pal..... Complainant**

**V/S**

**Life Insurance Corporation of India .....Respondent**

**COMPLAINT NO: BHP-L-029-1819-0454      Order No. IO/BHP/A/LI/ 0033 /2019-2020**

<b>1.</b>	<b>Name &amp; Address of the Complainant</b>	<b>Mr. Mohan Pal, Sanchi Kana Kheda, Ward no.2, Gali no.9, Hiranman Chowk, Sanchi, Dist-Raisen</b>
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2.	Policy No: Type of Policy Duration of policy/DOC	351344549 Jeevan Saral with profit 21.11.2008
3.	Name of the insured Name of the policyholder	Mr. Mohan Pal -same-
4.	Name of the insurer	LIC OF INDIA
5.	Date of Repudiation/Rejection	-
6.	Reason for repudiation/Rejection	-
7.	Date of receipt of the Complaint	04.01.2019
8.	Nature of complaint	Less payment of Maturity Claim
9.	Amount of Claim	Rs.64,039/-
10.	Date of Partial Settlement	
11.	Amount of relief sought	Rs.64,039/- +bonus+damage
12.	Complaint registered under Rule	Rule No. 13(1)(b) of Ins. Ombudsman Rule 2017
13.	Date of hearing/place	03.05.2019 at Bhopal
14.	Representation at the hearing	
	g) For the Complainant	Mr. Mohan Pal
	h) For the insurer	Mrs. Manisha Bhatnagr, Manager (CRM)
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	03.05.2019

- Mr. Mohan Pal (Complainant) has filed a complaint against Life Insurance Corporation of India (Respondent) alleging less payment of maturity amount.
- **Brief facts of the Case** - The complainant has stated that the above policy was taken by him from the respondent company on 21.11.2008 in which on maturity date 21.11.2018 Rs.1,25,000/- was payable as pre policy document. After maturity respondent had paid only Rs. 60,961/- instead of Rs.1,25,000/- without intimating any reason of deduction. He made request before the respondent but no reply was given by the respondent. The complainant approached this forum for payment balance amount with bonus and damages.

The respondent in the SCN/reply has stated that the policy was issued on 21.11.2008. Policy matured on 21.11.2018 & as per provisions of the policy Rs.60961/- was paid to policy holder. C.O.Circular ref. : Actl/1934/4 dated 12.02.2004 maturity sum assured per Rs.100 per month basic premium for different age at entry & term are given in Annexure 1. As per maturity table for age at entry 48 years Rs.8998/- is payable for Rs. 100 premium per month. In this case monthly premium is Rs. 510/-. After removing DAB premium it is Rs. 500/- (510x12-DAB 125/12) . For Rs.500/- premium/ monthly maturity amount payable is Rs.44990( 500x8998 / 100). Policy holder is entitled for Rs. 15971- @355 as additional

loyalty. Hence total amount payable is Rs.44990/-+ Rs.15971/- i.e. Rs.60961/- It is further stated that there has been an inadvertent typographical error in the Maturity S.A. which has been shown as Rs. 1,25000/- which is actually Death S.A. and Maturity S.A. is mentioned in place of Death S.A.

- The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent filed SCN with enclosures.
  - Efforts for mediation failed. I have heard both the parties at length and perused papers filed on behalf of the complainant as well as the Insurance Company.
  - The complainant has taken a LIC's Jeevan Saral (with profits) table no.165 policy bearing no. 351344549 for maturity sum assured as Rs.1,25,000/- (as printed), death benefit as Rs.44990/- and accidental benefit sum assured as Rs. 1,25,000/- on payment of premium amount Rs.510/- on monthly mode with date of commencement 21.11.2008 for a term of 10 years from the respondent company. The complainant has narrated the facts and laid emphasis that on maturity only Rs.60,961/- has been paid, while in the policy document, the maturity sum assured has been shown as Rs. 1,25,000/- and in this way less amount has been paid towards maturity claim. Representative of the respondent has argued that maturity benefit has been paid as per table no. 165 and this policy was Jeevan Saral (with profits) policy and maturity benefit has been defined in the policy document itself and after calculation under the said table nothing more amount is payable. Representative of respondent further argued that the death benefit of Rs. 1,25,000/- was printed on the policy bond due to typographical error and sum payable at maturity was different for each age at entry and term of the policy. The maturity value or death cover shall be calculated for Rs.100/- premium payable monthly. Representative of the respondent has also averred that since the death benefit is fixed whatever be the age of policy term i.e.250 times of monthly premium and maturity sum assured is defined taking into account age at entry and term of policy. Representative of the respondent has also contended that the maturity sum assured of Rs. 44990/- and loyalty addition (bonus) of Rs.15971/- has been calculated correctly as per terms and conditions of the policy and total maturity sum assured amounting to Rs. 60961/- has been paid to the complainant.
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Respondent with their SCN have attached Circular about the Jeevan Saral Plan (Actl.1934/4 dated 12.02.2004) which provides that in conventional products, premium rates are given per thousand sum assured for different entry ages and terms. Under Jeevan Saral product death cover will be same irrespective of age at entry and term but the sum payable at maturity will differ for different entry ages and terms. In this plan insured has to first decide the amount of premium, he wants to pay per year. Once the premium is chosen, the sum assured payable on death gets automatically determined whatever be the age and term. This is called the sum assured under the policy. The sum payable at maturity will be different for each age at entry and term of policy. The policy schedule regarding maturity benefit provides that in the event of life assured surviving the date of maturity, a sum equal to maturity sum assured in force after partial surrender, if any, along with the corresponding loyalty addition, if any, shall be payable. The policy document shows the amount of Rs. 1,25,000/- in front of word maturity sum assured and death benefit sum assured is mentioned as Rs.44990/-. This appears to be typographical error as the death benefit sum assured comes to Rs.1,25,000/- , keeping in view the amount of monthly premium. In this case Rs. 60961/- was found payable as maturity amount to the complainant which is proper as per policy terms & conditions. Any party to the dispute cannot take the advantage of any printing/ technical error in the contract document.

- In view of the above facts & circumstances, I come to the conclusion that the amount paid by the respondent is in accordance with policy terms & conditions and the decision/ action of the respondent company towards making payment of Rs. 60961/- as maturity amount including loyalty addition under the policy document is perfectly justified and does not require any interference . Hence complainant is not entitled for relief as prayed for and complaint is liable to be dismissed.
- The complaint filed by Mr. Mohan Pal is dismissed herewith.
- Let copies of Award be given to both the parties.

**Dated: May 03, 2019**

**Place : Bhopal**

**(G.S.Shrivastava)  
Insurance Ombudsman**

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**Mr. Munnalal Lodhi..... Complainant**

**V/S**

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**Life Insurance Corporation of India .....Respondent**

**COMPLAINT NO: BHP-L-029-1819-0505**  
2020

**Order No. IO/BHP/A/LI/ 0057 /2019-**

1.	<b>Name &amp; Address of the Complainant</b>	<b>Mr. Munnalal Lodhi, Near Telephone exchange, Post-Sironj, Dist.Vidisha</b>
2.	<b>Policy No: Type of Policy Duration of policy/DOC</b>	<b>351344569 Jeevan Saral with profit 28.12.2008</b>
3.	<b>Name of the insured Name of the policyholder</b>	<b>Mr. Munnalal Lodhi -same-</b>
4.	<b>Name of the insurer</b>	<b>LIC OF INDIA</b>
5.	<b>Date of Repudiation/Rejection</b>	<b>-</b>
6.	<b>Reason for repudiation/Rejection</b>	<b>-</b>
7.	<b>Date of receipt of the Complaint</b>	<b>23.01.2019</b>
8.	<b>Nature of complaint</b>	<b>Less payment of Maturity Claim</b>
9.	<b>Amount of Claim</b>	<b>Rs.1,14,690/-</b>
10.	<b>Date of Partial Settlement</b>	
11.	<b>Amount of relief sought</b>	<b>Rs.1,14,690/- +Bonus+Damage</b>
12.	<b>Complaint registered under Rule</b>	<b>Rule No. 13(1)(b) of Ins. Ombudsman Rule 2017</b>
13.	<b>Date of hearing/place</b>	<b>15.05.2019 at Bhopal</b>
14.	<b>Representation at the hearing</b>	
	<b>i) For the Complainant</b>	<b>Mr. Munnalal Lodhi</b>
	<b>j) For the insurer</b>	<b>Mrs. Manisha Bhatnagar, Manager (CRM)</b>
15.	<b>Complaint how disposed</b>	<b>Dismissed</b>
16.	<b>Date of Award/Order</b>	<b>15.05.2019</b>

- Mr. Munnalal Lodhi (Complainant) has filed a complaint against Life Insurance Corporation of India (Respondent) alleging less payment of maturity amount.
- **Brief facts of the Case -** The complainant has stated that the above policy was taken by him from the respondent company on 28.12.2008. In policy bond maturity date 28.12.2018 and maturity amount Rs.2,50,000/- was mentioned but on maturity of policy respondent had paid only Rs.1,25,310/- instead of Rs. 2,50,000/- without intimating any reason of deduction. The complainant approached this forum for payment balance amount, bonus and interest. The respondent in their SCN have stated that the above policy was issued on 28.12.2008. Policy matured on 28.12.2018 and as per the provisions of the policy Rs.1,25,310/- was paid to the policy holder. As per C.O.Circular ref. : Act/1934/4 dated 12.02.2004 maturity sum assured per Rs.100 per month basic premium for different age at entry & term are given in

Annexure 1. As per maturity table for age at entry 47 years Rs.9248/- is payable for Rs. 100 premium per month. In this case monthly premium is Rs. 1021/- i.e. Rs.1,000/- premium per month. For Rs.1000/- premium/ monthly maturity amount payable is Rs.92480( 1000x9248 / 100). Policy holder is entitled for Rs. 32830/- @355 as loyalty addition. Hence total amount payable on maturity is Rs.125310/-. There has been an inadvertent typographical error in the Maturity S.A. which has been shown as Rs.2,50,000/- which is actually death S.A. and Maturity S.A. is mentioned in place of Death S.A.

- The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent filed SCN with enclosures.
  - Efforts for mediation failed. I have heard both the parties at length and perused papers filed on behalf of the complainant as well as the Insurance Company.
  - The complainant has taken a LIC's Jeevan Saral (with profits) table no.165 policy bearing no. 351344569 for maturity sum assured as Rs.2,50,000/- (as printed), death benefit as Rs.92480/- and accidental benefit sum assured as Rs. 2,50,000/- on payment of premium amount Rs.1021/- on monthly mode with date of commencement 28.12.2008 for a term of 10 years from the respondent company. The complainant has narrated the facts and laid emphasis that the policy commenced in 2008 and maturity was after 10 years and premiums were paid for 10 years but only Rs.1,25,310/- has been paid, while in the policy document, the maturity sum assured has been shown as Rs. 2,50,000/- and in this way less amount has been paid towards maturity claim. Representative of the respondent has argued that maturity benefit has been paid as per table no. 165 and this policy was Jeevan Saral (with profits) policy and maturity benefit has been defined in the policy document itself and after calculation under the said table nothing more amount is payable. Representative of respondent has further argued that the death benefit of Rs. 2,50,000/- was printed on the policy bond due to typographical error and sum payable at maturity was different for each age at entry and term of the policy. The maturity value or death cover shall be calculated for Rs.100/- premium payable monthly. Representative of the respondent has also averred that since the death benefit is fixed whatever be the age of policy term i.e.250 times of monthly premium and maturity sum assured is defined taking into account age at entry and term of policy. Representative of the respondent has also contended that the maturity sum assured of
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Rs. 92480/-/- and loyalty addition (bonus) of Rs.32830/- has been calculated correctly as per terms and conditions of the policy and total maturity sum assured amounting to Rs. 1,25,310/- has been paid to the complainant.

Respondent with their SCN have attached Circular about the Jeevan Saral Plan (Actl.1934/4 dated 12.02.2004) which provides that in conventional products, premium rates are given per thousand sum assured for different entry ages and terms. Under Jeevan Saral product death cover will be same irrespective of age at entry and term but the sum payable at maturity will differ for different entry ages and terms. In this plan insured has to first decide the amount of premium, he wants to pay per year. Once the premium is chosen, the sum assured payable on death gets automatically determined whatever be the age and term. This is called the sum assured under the policy. The sum payable at maturity will be different for each age at entry and term of policy. The policy schedule regarding maturity benefit provides that in the event of life assured surviving the date of maturity, a sum equal to maturity sum assured in force after partial surrender, if any, along with the corresponding loyalty addition, if any, shall be payable. The policy document shows the amount of Rs. 2,50,000/- in front of word maturity sum assured and death benefit sum assured is mentioned as Rs.92480/-. This appears to be typographical error as the death benefit sum assured comes to Rs.2,50,000/- , keeping in view the amount of monthly premium. In this case Rs. 1,25,310/- was found payable as maturity amount to the complainant which is proper as per policy terms & conditions. Any party to the dispute cannot take the advantage of any printing/ technical error in the contract document.

- In view of the above facts & circumstances, I come to the conclusion that the amount paid by the respondent is in accordance with policy terms & conditions and the decision/ action of the respondent company towards making payment of Rs. 1,25,310/- as maturity amount including loyalty addition under the policy document is perfectly justified and does not require any interference . Hence complainant is not entitled for relief as prayed for and complaint is liable to be dismissed.
  - The complaint filed by Mr. Munna Lal Lodhi is dismissed herewith.
  - Let copies of Award be given to both the parties.
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Dated: May 15, 2019

Place : Bhopal

(G.S.Shrivastava)  
Insurance Ombudsman

Mr. Ramdas Kushwaha..... Complainant

V/S

Life Insurance Corporation of India .....Respondent

COMPLAINT NO: BHP-L-029-1819-0504  
2020

Order No. IO/BHP/A/LI/ 0056 /2019-

1.	Name & Address of the Complainant	Mr. Ramdas Kushwaha, Near Telephone exchange, Post-Sironj, Dist.Vidisha
2.	Policy No: Type of Policy Duration of policy/DOC	351344570 Jeevan Saral with profit 28.12.2008
3.	Name of the insured Name of the policyholder	Mr. Ramdas Kushwaha -same-
4.	Name of the insurer	LIC OF INDIA
5.	Date of Repudiation/Rejection	-
6.	Reason for repudiation/Rejection	-
7.	Date of receipt of the Complaint	23.01.2019
8.	Nature of complaint	Less payment of Maturity Claim
9.	Amount of Claim	Rs.1,14,053/-
10.	Date of Partial Settlement	
11.	Amount of relief sought	Rs.1,14,053/- +Bonus+Damage
12.	Complaint registered under Rule	Rule No. 13(1)(b) of Ins. Ombudsman Rule 2017
13.	Date of hearing/place	15.05.2019 at Bhopal
14.	Representation at the hearing	
	k) For the Complainant	Mr. Ramdas Kushwaha
	l) For the insurer	Mrs. Manisha Bhatnagar, Manager (CRM)
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	15.05.2019

- Mr. Ramdas Kushwaha (Complainant) has filed a complaint against Life Insurance Corporation of India (Respondent) alleging less payment of maturity amount.
- **Brief facts of the Case** - The complainant has stated that the above policy was taken by him from the respondent company on 28.12.2008. In policy bond maturity date 28.12.2018 and maturity amount Rs.2,50,000/- was mentioned but on maturity of policy respondent had paid

only Rs.1,35,947/- instead of Rs. 2,50,000/- without intimating any reason of deduction. The complainant approached this forum for payment balance amount bonus and interest.

The respondent in their SCN have stated that the above policy was issued on 28.12.2008. Policy matured on 28.12.2018 and as per the provisions of the policy Rs.1,35,947/- was paid to the policy holder. As per C.O.Circular ref. : Act1/1934/4 dated 12.02.2004 maturity sum assured per Rs.100 per month basic premium for different age at entry & term are given in Annexure 1. As per maturity table for age at entry 43 years Rs.10033/- is payable for Rs. 100 premium per month. In this case monthly premium is Rs. 1021/-i.e.Rs.1000/- . For Rs.1000/- premium/ monthly maturity amount payable is Rs.100330/-(1000x1033 / 100). Policy holder is entitled for Rs.35617/- @355 as loyalty addition. Hence total amount payable on maturity is Rs.1,35,947/-. There has been an inadvertent typographical error in the Maturity S.A. which has been shown as Rs.2,50,000/- which is actually death S.A. and Maturity S.A. is mentioned in place of Death S.A.

- The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent filed SCN with enclosures.
  - Efforts for mediation failed. I have heard both the parties at length and perused papers filed on behalf of the complainant as well as the Insurance Company.
  - The complainant has taken a LIC's Jeevan Saral (with profits) table no.165 policy bearing no. 351344570 for maturity sum assured as Rs.2,50,000/- (as printed), death benefit as Rs.100330/- and accidental benefit sum assured as Rs. 2,50,000/- on payment of premium amount Rs.1021/- on monthly mode with date of commencement 28.12.2008 for a term of 10 years from the respondent company. The complainant has narrated the facts and laid emphasis that the policy commenced in 2008 and maturity was after 10 years and premiums were paid for 10 years but only Rs.1,35,947/- has been paid, while in the policy document, the maturity sum assured has been shown as Rs. 2,50,000/- and in this way less amount has been paid towards maturity claim. Representative of the respondent has argued that maturity benefit has been paid as per table no. 165 and this policy was Jeevan Saral (with profits) policy and maturity benefit has been defined in the policy document itself and after calculation under the said table nothing more amount is payable. Representative of respondent further argued that the death benefit of Rs. 2,50,000/- was printed on the policy
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bond due to typographical error and sum payable at maturity was different for each age at entry and term of the policy. The maturity value or death cover shall be calculated for Rs.100/- premium payable monthly. Representative of the respondent has also averred that since the death benefit is fixed whatever be the age of policy term i.e.250 times of monthly premium and maturity sum assured is defined taking into account age at entry and term of policy. Representative of the respondent has also contended that the maturity sum assured of Rs. 100330/- and loyalty addition (bonus) of Rs.35617/- has been calculated correctly as per terms and conditions of the policy and total maturity sum assured amounting to Rs. 1,35,947/- has been paid to the complainant.

Respondent with their SCN have attached Circular about the Jeevan Saral Plan (Actl.1934/4 dated 12.02.2004) which provides that in conventional products, premium rates are given per thousand sum assured for different entry ages and terms. Under Jeevan Saral product death cover will be same irrespective of age at entry and term but the sum payable at maturity will differ for different entry ages and terms. In this plan insured has to first decide the amount of premium, he wants to pay per year. Once the premium is chosen, the sum assured payable on death gets automatically determined whatever be the age and term. This is called the sum assured under the policy. The sum payable at maturity will be different for each age at entry and term of policy. The policy schedule regarding maturity benefit provides that in the event of life assured surviving the date of maturity, a sum equal to maturity sum assured in force after partial surrender, if any, along with the corresponding loyalty addition, if any, shall be payable. The policy document shows the amount of Rs. 2,50,000/- in front of word maturity sum assured and death benefit sum assured is mentioned as Rs.100330/-. This appears to be typographical error as the death benefit sum assured comes to Rs.2,50,000/- , keeping in view the amount of monthly premium. In this case Rs. 1,35,947/- was found payable as maturity amount to the complainant which is proper as per policy terms & conditions. Any party to the dispute cannot take the advantage of any printing/ technical error in the contract document.

- In view of the above facts & circumstances, I come to the conclusion that the amount paid by the respondent is in accordance with policy terms & conditions and the decision/ action of the respondent company towards making payment of Rs. 1,35,947/- as maturity amount
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including loyalty addition under the policy document is perfectly justified and does not require any interference . Hence complainant is not entitled for relief as prayed for and complaint is liable to be dismissed.

- The complaint filed by Mr. Ramdas Kushwah is dismissed herewith.
- Let copies of Award be given to both the parties.

**Dated: May 15, 2019**

**Place : Bhopal**

**(G.S.Shrivastava)**

**Insurance Ombudsman**

**Mr. Sanjay Neema..... Complainant**

**V/S**

**HDFC Standard Life Insurance Co.Ltd.....Respondent**

**COMPLAINT NO: BHP-L-019-1819-0545 ORDER NO: IO/BHP/A/LI/ 0068 /2019-2020**

<b>1.</b>	<b>Name &amp; Address of the Complainant</b>	<b>Mr. Sanjay Neema, Simran 14/1, North Rajmohalla, Indore</b>
<b>2.</b>	<b>Policy No: Type of Policy Duration of policy/Policy period</b>	<b>12146317 HDFC Saving Assurance Plan 02.09.2008</b>
<b>3.</b>	<b>Name of the insured Name of the policyholder</b>	<b>Mr.Sanjay Neema -same-</b>
<b>4.</b>	<b>Name of the insurer</b>	<b>HDFC Standard Life Insurance Co.Ltd.</b>
<b>5.</b>	<b>Date of Repudiation/ Rejection</b>	<b>-</b>
<b>6.</b>	<b>Reason for Repudiation/ Rejection</b>	<b>-</b>
<b>7.</b>	<b>Date of receipt of the Complaint</b>	<b>28.02.2019</b>
<b>8.</b>	<b>Nature of complaint</b>	<b>Information of less maturity amount</b>
<b>9.</b>	<b>Amount of Claim</b>	<b>Rs. 8,50,000/-</b>
<b>10.</b>	<b>Date of Partial Settlement</b>	
<b>11.</b>	<b>Amount of relief sought</b>	
<b>12.</b>	<b>Complaint registered under Rule</b>	<b>Rule No. 13(1)(c) Ins. Ombudsman Rule 2017</b>
<b>13.</b>	<b>Date of hearing/place</b>	<b>22.05.2019 at Bhopal</b>
<b>14.</b>	<b>Representation at the hearing</b>	
	<b>m) For the Complainant</b>	<b>Mr. Sanjay Neema</b>
	<b>n) For the insurer</b>	<b>Mr. Sudhir Kumar Singh, Associate Legal Manager</b>

15.	<b>Complaint how disposed</b>	<b>Dismissed as pre-mature</b>
16.	<b>Date of Award/Order</b>	<b>22.05.2019</b>

- Mr. Sanjay Neema (Complainant) has filed a complaint against HDFC Standard Life Insurance Co. Ltd. (Respondent) alleging information of less maturity amount.
- **Brief facts of the Case -** The complainant has stated that he had taken a policy in the year 2008 with 5 lac premium per year for 10 years and paid Rs.5 lac as first premium. It is further stated that he was misguided by Branch manager Mr. Anurag Laghate stating that policy is a single premium policy. He was unable to pay this high premium every year, hence he reduced premium per year as 1 lac in the year 2009. Subsequently he paid 1 lac premium every year till Sept.2017. Policy matured in September 2018 and he was told maturity amount as Rs. 15.74 lac. He had paid total Rs. 14 lac and as per policy he is supposed to get sum assured plus bonus. Amount of four lac paid extra in the first premium is not adjusted and he needs this amount with interest. The complainant has approached this forum for redressal of his grievance.

The respondent in their SCN have stated that policy was issued on the basis of duly signed proposal form. The complainant was given 15 days free look period to raise concerns in relation to features and terms and conditions of the policy but complainant did not raised any concerns regarding the policy features and terms and conditions of the policy within the said period of 15 days. The complainant suddenly on 04.09.2018 raised concerns about discrepancy into solicitation and alleged for difference in maturity calculation. Respondent have further stated that on 27.07.2009 complainant approached with an application for reduction in premium from Rs.5,00,000/- to 1,00,000/- and the company considered the application and HDFC Illus dated 31.07.2019 reissued to the policy holder mentioning the calculation of the policy. The complainant accepted the alteration on dated 06.08.2009 and changes were done by the company after receiving the consent. Policy got matured on dated 02.09.2018 and letter in this regard sent to the complainant. Company provided the maturity amount to the complainant but he was not satisfied with the maturity amount and approached to the company with his concerns against the maturity amount on dated 04.09.2019. It is

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further stated by the respondent that till date 22.05.2019 maturity amount is not paid to the complainant as policy holder has not claimed and given the NEFT details.

- The complainant has filed complaint letter, Annex. VI A and correspondence with respondent, while respondent have filed SCN with enclosures.
- I have heard both the parties at length and perused papers filed on behalf of the complainant as well as the Insurance Company
- As per complaint, the complainant was told by the respondent that maturity amount under above policy shall be Rs. 15.74 lac. Nothing is on record to show that the complainant had claimed maturity amount under policy. The complainant during hearing has accepted that till today he has not claimed and not taken the maturity amount. It is evident from the SCN that till date of hearing complainant has not claimed and no payment has been made to the policy holder. Hence, it is clear that complainant had not claimed maturity amount and no action has been taken and no order has been passed by the respondent with respect to complainant's claim. As the complainant has not claimed for the maturity amount of the policy and no order as to maturity amount has been passed by the respondent, hence complaint is pre-mature and is liable to be dismissed without entering into the merits of the complaint.
- The complaint filed by Mr. Sanjay Neema stands dismissed as pre-mature.
- Let copies of Award be given to both the parties.

**Dated : May 22,2019**

**Place : Bhopal**

**(G.S.Shrivastava)**  
**Insurance Ombudsman**

**Mr. Siyaram..... Complainant**

**V/S**

**Life Insurance Corporation of India .....Respondent**

**COMPLAINT NO: BHP-L-029-1819-0455**

**Order No. IO/BHP/A/LI/ 0035 /2019-2020**

<b>1.</b>	<b>Name &amp; Address of the Complainant</b>	<b>Mr. Siyaram, House no.218, Devkinagar Berasia Road, Bhopal</b>
<b>2.</b>	<b>Policy No: Type of Policy Duration of policy/DOC</b>	<b>351344516 Jeevan Saral with profit 20.10.2008</b>
<b>3.</b>	<b>Name of the insured</b>	<b>Mr. Siyaram</b>

	<b>Name of the policyholder</b>	<b>-same-</b>
<b>4.</b>	<b>Name of the insurer</b>	<b>LIC OF INDIA</b>
<b>5.</b>	<b>Date of Repudiation/Rejection</b>	<b>-</b>
<b>6.</b>	<b>Reason for repudiation/Rejection</b>	<b>-</b>
<b>7.</b>	<b>Date of receipt of the Complaint</b>	<b>04.01.2019</b>
<b>8.</b>	<b>Nature of complaint</b>	<b>Less payment of Maturity Claim</b>
<b>9.</b>	<b>Amount of Claim</b>	<b>Rs.1,16,261/-</b>
<b>10.</b>	<b>Date of Partial Settlement</b>	
<b>11.</b>	<b>Amount of relief sought</b>	<b>Rs.1,16,261/- +bonus+damage</b>
<b>12.</b>	<b>Complaint registered under Rule</b>	<b>Rule No. 13(1)(b) of Ins. Ombudsman Rule 2017</b>
<b>13.</b>	<b>Date of hearing/place</b>	<b>03.05.2019 at Bhopal</b>
<b>14.</b>	<b>Representation at the hearing</b>	
	<b>o) For the Complainant</b>	<b>Mr. Siyaram</b>
	<b>p) For the insurer</b>	<b>Mrs. Manisha Bhatnagar, Manager CRM</b>
<b>15.</b>	<b>Complaint how disposed</b>	<b>Dismissed</b>
<b>16.</b>	<b>Date of Award/Order</b>	<b>03.05.2019</b>

- Mr. Siyaram (Complainant) has filed a complaint against Life Insurance Corporation of India (Respondent) alleging less payment of maturity amount.
- **Brief facts of the Case** - The complainant has stated that the above policy was taken by him from the respondent company on 20.10.2008 in which on maturity date 20.10.2018 Rs.2,50,000/- was payable as pre policy document. After maturity respondent had paid only Rs. 1,33,739/- instead of Rs.2,50,000/- without intimating any reason of deduction. He made request before the respondent but no reply was given by the respondent. The complainant approached this forum for payment balance amount with bonus and damages.

The respondent in the SCN/reply has stated that the policy was issued on 20.10.2008. Policy matured on 20.10.2018 & as per provisions of the policy Rs.133739/- was paid to policy holder. C.O.Circular ref. : Act1/1934/4 dated 12.02.2004 maturity sum assured per Rs.100 per month basic premium for different age at entry & term are given in Annexure 1. As per maturity table for age at entry 44 years Rs.9870/- is payable for Rs. 100 premium per month. In this case monthly premium is Rs. 1021/-. After removing DAB premium it is Rs. 1000/- (1021x12-DAB 250/12) . For Rs.1000/- premium/ monthly maturity amount payable is Rs.98700( 1000x9870 / 100). Policy holder is entitled for Rs. 35039/- @ 355/- as additional loyalty. Hence total amount payable is Rs.98700/++ Rs.35039/- i.e. Rs.133739/- It is further stated that there has been an inadvertent typographical error in the Maturity S.A. which has

been shown as Rs. 2,50,000/- which is actually Death S.A. and Maturity S.A. is mentioned in place of Death S.A.

- The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent filed SCN with enclosures.
- Efforts for mediation failed. I have heard both the parties at length and perused papers filed on behalf of the complainant as well as the Insurance Company.
- The complainant has taken a LIC's Jeevan Saral (with profits) table no.165 policy bearing no. 351344516 for maturity sum assured as Rs.2,50,000/- (as printed), death benefit as Rs.98700/- and accidental benefit sum assured as Rs. 2,50,000/- on payment of premium amount Rs.1021/- on monthly mode with date of commencement 20.10.2008 for a term of 10 years from the respondent company. The complainant has narrated the facts and laid emphasis that on maturity an amount of Rs.133739/- has been paid, while in the policy document, the maturity sum assured has been shown as Rs. 2,50,000/- and in this way less amount has been paid towards maturity claim. Representative of the respondent has argued that maturity benefit has been paid as per table no. 165 and this policy was Jeevan Saral (with profits) policy and maturity benefit has been defined in the policy document itself and after calculation under the said table nothing more amount is payable. Representative of respondent further argued that the death benefit of Rs. 2,50,000/- was printed on the policy bond due to typographical error and sum payable at maturity was different for each age at entry and term of the policy. The maturity value or death cover shall be calculated for Rs.100/- premium payable monthly. Representative of the respondent has also averred that since the death benefit is fixed whatever be the age of policy term i.e.250 times of monthly premium and maturity sum assured is defined taking into account age at entry and term of policy. Representative of the respondent has also contended that the maturity sum assured of Rs. 98700/- and loyalty addition (bonus) of Rs.35039/- has been calculated correctly as per terms and conditions of the policy and total maturity sum assured amounting to Rs. 133739/- has been paid to the complainant.

Respondent with their SCN have attached Circular about the Jeevan Saral Plan (Actl.1934/4 dated 12.02.2004) which provides that in conventional products, premium rates are given per thousand sum assured for different entry ages and terms. Under Jeevan Saral product death

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cover will be same irrespective of age at entry and term but the sum payable at maturity will differ for different entry ages and terms. In this plan insured has to first decide the amount of premium, he wants to pay per year. Once the premium is chosen, the sum assured payable on death gets automatically determined whatever be the age and term. This is called the sum assured under the policy. The sum payable at maturity will be different for each age at entry and term of policy. The policy schedule regarding maturity benefit provides that in the event of life assured surviving the date of maturity, a sum equal to maturity sum assured in force after partial surrender, if any, along with the corresponding loyalty addition, if any, shall be payable. The policy document shows the amount of Rs. 2,50000/- in front of word maturity sum assured and death benefit sum assured is mentioned as Rs.98700/-. This appears to be typographical error as the death benefit sum assured comes to Rs.2,50,000/- , keeping in view the amount of monthly premium. In this case Rs. 1,33,739/- was found payable as maturity amount to the complainant which is proper as per policy terms & conditions. Any party to the dispute cannot take the advantage of any printing/ technical error in the contract document.

- In view of the above facts & circumstances, I come to the conclusion that the amount paid by the respondent is in accordance with policy terms & conditions and the decision/ action of the respondent company towards making payment of Rs. 1,33,739/- as maturity amount including loyalty addition under the policy document is perfectly justified and does not require any interference . Hence complainant is not entitled for relief as prayed for and complaint is liable to be dismissed.
- The complaint filed by Mr. Siyaram is dismissed herewith.
- Let copies of Award be given to both the parties.

**Dated: May 03, 2019**

**Place : Bhopal**

**(G.S.Shrivastava)  
Insurance Ombudsman**

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**Mrs. Snehlata Verma..... Complainant**

**V/S**

**Life Insurance Corporation of India .....Respondent**

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COMPLAINT NO: BHP-L-029-1819-0514  
2020

Order No. IO/BHP/A/LI/ 0045 /2019-

1.	Name & Address of the Complainant	Mrs. Snehlata Verma, W/o Sh. Prem Kumar Verma, College road, Laxmi Nagar, JASHPURNAGAR, DIST-JASHPUR(CG)
2.	Policy No: Type of Policy Duration of policy/DOC	358093070 Wealth Plus 18.03.2010
3.	Name of the insured Name of the policyholder	Mrs. Snehlata Verma -same-
4.	Name of the insurer	Life Insurance Corporation of India
5.	Date of Repudiation/Rejection	-
6.	Reason for repudiation/Rejection	-
7.	Date of receipt of the Complaint	18.02.2019
8.	Nature of complaint	Less payment of Maturity claim
9.	Amount of Claim	-
10.	Date of Partial Settlement	
11.	Amount of relief sought	-
12.	Complaint registered under Rule	Rule No. 13(1)(b) of Ins. Ombudsman Rule 2017
13.	Date of hearing/place	09.05.2019 at Bhopal
14.	Representation at the hearing	
	q) For the Complainant	Mr. Prem Kumar Verma Husband of the complainant
	r) For the insurer	Mr. S.L.Bhoi, Manager (CRM)
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	09.05.2019

- Mrs. Snehlata Verma (Complainant) has filed a complaint against Life Insurance Corporation of India (Respondent) alleging less payment of maturity claim.
- **Brief facts of the Case -** The complainant has stated that the above policy was taken by her from the respondent company. On pamphlet of policy it was shown that maturity amount will be 5 times but after 8 years on maturity only Rs.40,000/- + interest Rs.4,112/- was paid to her. She made complaint before the respondent company but no action was taken by company. The complainant approached this forum for redressal of her grievance.

The respondent in their SCN have stated that policy was matured on 18.03.2018 and their branch office has paid claim as per terms and conditions of the policy. In this case as per policy terms the highest NAV for the first 7 year or the NAV on the date of maturity

whichever is higher is payable to the policy holder. NAV for first 7 year was 14.4448, NAV on the date of maturity was 15.3712 and units allotted were 2869.813. Hence policy holder was paid Rs.44112/- (15.3712x2869.813). As per policy there is provision of risk coverage for 2 year after the date of maturity.

- The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent filed SCN with enclosures.
- Efforts for mediation failed. I have heard both the parties at length and perused papers filed on behalf of the complainant as well as the Insurance Company.
- Policy No. 358093070 under wealth plus plan was issued on 18.03.2010 with date of expiry of policy term as 18.03.2018. According to respondent company the maturity payment of above policy was made according to highest NAV. Highest NAV on maturity date was 15.3712 and number of units were 2869.813, so maturity amount will Rs.44112/- (15.3712 x 2869.813). In policy, it is mentioned that policyholder's fund value on surviving the policy term shall be based on highest NAV achieved by the fund over the first 7 years of the policy or the NAV as applicable at the end of the policy term, whichever is higher. In this case during first 7 year NAV was 14.448 and on the date of maturity was 15.3712. According to above at maturity, policyholder will get maturity amount according to remaining units (2869.813) and highest NAV i.e.15.3712. Above Ulip Plan is linked with Market, hence maturity value calculated is in accordance with the policy terms and conditions.
- In view of the above facts & circumstances, I come to the conclusion that respondent has not erred in calculating maturity amount. Therefore, I am of the opinion that there is no reason to interfere with the decision of respondent company and hence complaint is liable to be dismissed.
- The complaint filed by Mrs. Snehlata Verma is dismissed herewith.
- Let copies of Award be given to both the parties.

**Dated: May 09, 2019**  
**Place : Bhopal**

**(G.S.Shrivastava)**  
**Insurance Ombudsman**

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**PROCEEDINGS BEFORE**  
**THE INSURANCE OMBUDSMAN, CHANDIGARH**  
**(UNDER INSURANCE OMBUDSMAN RULES, 2017)**

**INSURANCE OMBUDSMAN-Dr. D.K. VERMA**  
**Case of Mr. Satish Kumar Batra Vs SBI Life Insurance Co. Ltd.**  
**CASE NO-CHD-L-041-1819-0041**

1.	<b>Name &amp; Address of the Complainant</b>	<b>Mr. Satish Kumar Batra</b> <b>House No.- 2975, Sector- 15, Panchkula,</b> <b>Haryana- 134109</b> <b>Mobile No.- 9876029501</b>
2.	<b>Policy No: DOC</b> <b>Type of Policy</b> <b>Duration of policy/Policy period</b>	35024805202 / 11-07-2012 Shubh Nivesh Policy PPT- 5 yrs
3.	<b>Name of the insured</b> <b>Name of the policyholder</b>	<b>Mr. Satish Kumar Batra</b> <b>Mr. Satish Kumar Batra</b>
4.	<b>Name of the insurer</b>	<b>SBI Life Insurance Co. Ltd.</b>
5.	<b>Date of Repudiation</b>	NA
6.	<b>Reason for repudiation</b>	NA
7.	<b>Date of receipt of the Complaint</b>	<b>28-03-2018</b>
8.	<b>Nature of complaint</b>	Less amount received on maturity
9.	<b>Amount of Claim</b>	Difference amount
10.	<b>Date of Partial Settlement</b>	111550/=
11.	<b>Amount of relief sought</b>	Difference amount
12.	<b>Complaint registered under</b> <b>Rule no: Insurance</b> <b>Ombudsman Rules, 2017</b>	13 [1] [d]
13.	<b>Date of hearing/place</b>	17-05-2019 / Chandigarh
14.	<b>Representation at the hearing</b>	
	<b>For the Complainant</b>	Self
	<b>For the insurer</b>	Mr. Vishisth Jain & Mr. Raman Malhotra
15.	<b>Complaint how disposed</b>	Award
16.	<b>Date of Award/Order</b>	17.05.2019

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

On 28-03-2018, **Mr. Satish Kumar Batra** had filed a complaint of less amount received on maturity for whole life policy against **SBI Life Insurance Co. Ltd.** in respect of policy bearing no. 35024805202.

**18.. Cause of Complaint**

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A] Mr. **Satish Kumar Batra** the complainants attended the personal hearing on 17.05.2019 and reiterated the contents of the complaint and stated that the he was promised & assured handsome return on maturity by the representative of the company that he would get deposited amount about 1.50 lac along with interest on maturity date, however, on maturity date Insurance company has transferred an amount of Rs.111550, in his bank account under the policy. He further added that on the complainant's representation of cases regarding less payment of maturity claims the insurance company had not given him any offer/ solution to pre exit before attaining 100 years of age. He also added that the he doesn't want insurance cover up to 100 years of age and wants refund of the difference amount with interest.

**B] Insurers' argument**

Mr. Satish Kumar Batra had applied for SBI Life Shubh Nivesh Whole Life Insurance plan in his name through proposal no. 35QE444798 dated 09-07-2012. Accordingly, the policy bearing no. 35024805202 was issued with date of commencement as 11-07-2012 and with Basic Sum Assured of Rs. 92,000/- with equivalent sum assured towards Accidental Death benefit. The company has received all the five annual premiums under the policy. An amount of Rs, 1, 11,550/- was transferred to the complainant's account, which he has admitted to have received. As per the terms and conditions of the policy, basic sum assured is payable as endowment assurance with whole life maturity date. The additional feature of this policy is that the risk cover for the same amount of sum assured, that is, for Rs. 92000/- will continue even after payment of maturity value and the complainant need not pay any further premiums for the continued risk cover.

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

- |                              |                         |
|------------------------------|-------------------------|
| a) Complaint to the company. | b) Reply of the insurer |
| c) Proposal Form.            | d) Policy Schedule      |

**20. Result of personal hearing with both parties (Observations & Conclusion):**

On perusal of the various documents and submissions made by both the parties during personal hearing, it has been observed that the complainant had deposited all the renewal premiums under the policy and received maturity value as per policy terms & conditions. It is clear that the complainant had bought this policy consciously. It is also the fact that common people do not differentiate between the whole life & limited period payment plan i.e. Endowment plan neither these terms are being explained by representatives of the company to prospective customer at the time of selling insurance.

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The complainant had made representation to the insurer for payment of difference amount since the policy is for whole life the insurer should have offered them option of exit before attaining 100 years of age .Now the policyholder doesn't want the insurance cover up to the age of 100 years or on death whichever is earlier.

**AWARD**

**Taking into account the facts & circumstances of the case and the submissions made by both the parties during the course of hearing, an award is passed with a direction to the insurance company to pay additional cash value without interest & without deduction of any charges by treating the policy contract terminated /null and avoid.**

**Hence, the complaint is treated as closed.**

**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 Rules, 2017, the insurer shall comply with the award within 30 days of the receipt of the award and intimate compliance of the same to the Ombudsman.**

**Dated at Chandigarh on 17.05.2019**

**(Dr. D. K. Verma)  
INSURANCE OMBUDSMAN**

**PROCEEDINGS BEFORE  
THE INSURANCE OMBUDSMAN, STATE OF WESTERN U.P. AND UTTARAKHAND  
UNDER INSURANCE OMBUDSMAN RULES 2017  
OMBUDSMAN – SMT. SANDHYA BALIGA  
CASE OF SH. BANKEY BIHARI MINOCHA V/S LIFE INSURANCE CORPORATION OF INDIA**

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**COMPLAINT REF: NO: NOI-L-029-1819-0301**

**AWARD NO:**

1.	<b>Name &amp; Address of the Complainant</b>	<b>Sh. Bankey Bihari Minocha H.No. 466, Vikas colony, Hotel Radhika Wali Gali, Haridwar, Uttarakhand Pin 249401</b>
2.	<b>Policy No: Type of Policy Duration of policy/Policy period</b>	<b>27311459 Life Plan Policy Term 8 year &amp; PPT 01</b>
3.	<b>Name of the insured Name of the policyholder</b>	<b>Sh. Bankay Bihari Minocha Sh. Bankay Bihari Minocha</b>
4.	<b>Name of the insurer</b>	<b>Life Insurance Corporation of India</b>
5.	<b>Date of Repudiation</b>	
6.	<b>Reason for repudiation</b>	
7.	<b>Date of receipt of the Complaint</b>	<b>01-10-2018</b>
8.	<b>Nature of complaint</b>	<b>Non-receipt of maturity payment</b>
9.	<b>Amount of Claim</b>	<b>Rs.196850/-</b>
10.	<b>Date of Partial Settlement</b>	<b>None</b>
11.	<b>Amount of relief sought</b>	<b>Rs.196850/-</b>
12.	<b>Complaint registered under IOB rules</b>	<b>13 (1) (d)</b>
13.	<b>Date of hearing/place</b>	<b>Noida on 22.04.2019 and at Dehradun on 21.05.2019</b>
14.	<b>Representation at the hearing</b>	
	s) <b>For the Complainant</b>	<b>Sh. Bankey Bihari Minocha, Self</b>
	t) <b>For the insurer</b>	<b>Sh. Ajay Kumar Mehta, AO</b>
15.	<b>Complaint how disposed</b>	<b>Award in favour of Insurance Company</b>
16.	<b>Date of Award/Order</b>	<b>28.05.2019</b>

**17) Brief Facts of the Case:-** This complaint is filed by Sh. Bankay Bihari Minocha against Life Insurance Corporation of India relating to non-payment of maturity claim in respect of policy bearing no.27311459.

**18) Cause of Complaint:-** Non Receipt of maturity payment.

a) **Complainants argument :-** The complainant stated that he had purchased a policy, Wealth Plus Plan bearing no. 273114591 from Life Insurance corporation of India, Rani Mode , Haridwar on 31.03.2010 on payment of single premium of Rs.2,00,000/- for policy term of 8 years. The policy matured on 31.3.2018 but till date he had not received maturity payment of the policy. The complainant had written letter to the office on 27.04.2018 for this and also had sent mail on but he had not received any reply from the office till date.

b) **Insurers' argument:-** The insurer stated that the policy bearing no. 273114591 had been issued on the life of Bankey Bihari Minocha by Branch Office -1 Haridwar on 31.03.2010 for sum assured of Rs.2,50,000/- on single premium of Rs.2,00,000/-. The policy matured on 31.03.2018 and maturity amount of Rs.1,94,881/- had been made through NEFT in his bank account number 350104000007412 which was present in policy record . The amount was credited to complainant's account on 16.04.2018, the same had been confirmed by the concerned bank, IDBI

Bank Ltd.Ranipur mode,Haridwar vide letter dated 20.10.2018.The NEFT documents i.e. cancelled cheque was submitted by the policy holder alongwith the maturity discharge voucher.

**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) Reply letter dated 5.6.2018 of insurer
- c) Letter of IDBI bank dated 20.10.2018
- d) SCN

**21) Result of hearing with both parties(Observations & Conclusion) :-**Personal hearing of the case was held on 22.04.2019 and on 21.05.2019. The complainant was absent on 22.04.2019 but was present for hearing on 21.05.2019. The insurer attended hearing on both days. The complainant stated that his policy matured on 31.03.2018 but till date maturity amount had not been transferred to his account. The insurer stated that maturity amount of Rs. 1,94,881/-had been credited to the joint account of complainant and his wife i.e. first holder is Rita Minocha and second holder is Bankey Bihari Minocha through NEFT in bank accopunt number350104000007412 on 16.04.2018 which is confirmed by IDBI Bank Ranipur mode, Haridwar vide letter dated 20.10.2018. The NEFT documents i.e. cancelled cheque and maturity discharge form was submitted by the complainant.The insurer submitted documents to prove payment of maturity claim.

**AWARD**

**Taking into account the facts & circumstances of the case and the submissions made by both the parties during the course of hearing, I see no reason to interfere with the decision of insurance company.**

**The complaint is disposed off accordingly.**

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

a) According to Rule 17(6) of 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.

**Place: Noida.  
Dated: 28.5.2019**

**(SANDHYA BALIGA)  
INSURANCE OMBUDSMAN  
(WESTERN U.P. & UTTARAKHAND)**



**PROCEEDINGS BEFORE  
THE INSURANCE OMBUDSMAN, STATE OF TAMILNADU & PUDUCHERRY  
(UNDER RULE NO: 17 (1) OF THE INSURANCE OMBUDSMAN RULES, 2017)**

**OMBUDSMAN – SHRI M.VASANTHA KRISHNA**

**CASE OF: Shri M.TAMILSELVAN Vs LIFE INSURANCE CORPORATION OF INDIA  
REF: NO: CHN-L-029-1819-0621**

**AWARD NO: IO/CHN/A/LI/0005/2019-20**

1.	<b>Name &amp; Address of the Complainant</b>	<b>Shri M.Tamilselvan Plot No. 441, Anna Nagar, Nandhivaram-Guduvancheri, Chengalpattu-603 202</b>
2.	<b>Policy No Sum Assured DOC Mode of payment of premium Instalment Premium Type of Policy Policy Term/Premium Paying term First Unpaid Premium (FUP) (According to the insurer) Status of the Policy Date of Maturity</b>	<b>712064482 Rs. 20,000 28/01/1994 Yearly Rs. 1,750.00 Money Back Plan 15 years/15 years January 95  Matured 28/01/2009</b>
3.	<b>Name of the Life Assured</b>	<b>M.TAMIL SELVAN</b>
4.	<b>Name of the insurer</b>	<b>Life Insurance Corporation of India, DO-II, Chennai</b>
5.	<b>Date of Repudiation</b>	<b>Not a case of repudiation; Non-payment of maturity claim</b>
6.	<b>Reason for repudiation</b>	<b>Not applicable</b>
7.	<b>Date of registration of the complaint</b>	<b>31/12/18</b>
8.	<b>Date of receipt of Annexure VI-A</b>	<b>11/02/19</b>
9.	<b>Nature of complaint</b>	<b>Non-payment of Maturity claim</b>
10.	<b>Amount of Claim</b>	<b>Two Survival benefits @ Rs. 5000/- due on 28/01/99 &amp; 28/01/04 plus Rs. 10,000/- with accrued bonuses</b>
11.	<b>Date of Partial Settlement</b>	<b>No payment made so far</b>
12.	<b>Amount of relief sought</b>	<b>Maturity amount plus penal interest</b>
13.	<b>Complaint registered under</b>	<b>Rule No. 13 (1) (a) of the Insurance Ombudsman Rules, 2017</b>
14.	<b>Date of hearing &amp; Place of hearing</b>	<b>26/04/19 &amp; Chennai</b>
	<b>Representation at the hearing</b>	

15.	a) For the complainant	Shri M.Tamilselvan (Complainant)
	b) For the insurer	Shri S.Vasu, Manager (Claims), LIC of India, DO-II, Chennai
16.	Complaint how disposed	By Award
17.	Date of Award	31/05/2019

### 18) Brief Facts of the Case:

During the year 1994, the complainant took a policy from Life Insurance Corporation of India, herein the insurer, on his own life. The Sum assured was Rs. 20,000 and term of the policy was 15 years. The instalment premium of Rs. 1,750/- was payable yearly. On 11<sup>th</sup> July 1996, the policy was assigned in favour of Employees' Provident Fund (EPF) authorities. Although the policy matured for payment on 28/01/2009, the insurer is yet to receive the maturity proceeds from the insurer including two Survival Benefit (SB) payments which fell due on 28/01/99 & 28/01/04. The insurer's stand is that due to non-submission of health requirements, the amount paid by the complainant towards 2<sup>nd</sup> and 3<sup>rd</sup> instalments of premiums (and kept in deposit account) could not be adjusted to premium head and as a result, the policy lapsed. The insurer, however, admitted that it received 11 instalments of premiums from the EPF authorities and refunded all those premiums to them in the year 2009. The complainant's stand is that first three instalments of premiums were paid by him direct to the insurer whilst subsequent dues were remitted by the EPF authorities from out of his PF accretions. The complainant has been making repeated follow up with the insurer since the year 2010. As nothing was forthcoming, he has filed this complaint.

### 19) Cause of Complaint:

#### a) Complainant's argument:

The complainant stated that after his superannuation in the year 2010, he has been closely following up the matter with the insurer and also, the EPF authorities. He further stated that no intimation was ever received from the insurer regarding delayed remittance of the premiums by the EPF authorities. On 13/06/17, the CRO (Customer Relation Officer) of the insurer informed that the premiums received from the EPF authorities were refunded in the year 2009 through 11 nos. of cheques, the complainant added. The EPF authorities, however, denied receipt of refunds from the insurer, the complainant further added. He has requested for settlement of the maturity claim with interest.

#### b) Insurers' argument:

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It is true that the complainant is following up the matter since the year 2010. As per the policy master, First Unpaid Premium (FUP) is January 95. The amount paid by the complainant on 26/07/96 towards two instalments of premiums that fell due on 28/01/95 & 28/01/96 could not be adjusted to premiums due to non submission of Declaration of Good Health (DGH) by the complainant. On 11/07/96, the policy was assigned to EPF and the same was registered by the branch office. Though the policyholder, herein the complainant, claims that premium due on 28/01/97 was remitted by EPF, there is no evidence of receipt of the same in the branch office. The yearly premiums commencing from January 1998 to January 2008, however, were received by the branch office and parked in policy deposit account. After the policy matured for payment, all these amounts, viz. Rs. 19,250/- were refunded to EPF on 23/02/09 through cheques. The servicing branch confirmed encashment of all refund cheques by EPF on 04/04/09. With the filing of the complaint, the DODRC (Divisional Office Disputes Redressal Committee) advised the servicing branch to get back the refunded moneys from the EPF and also, to collect one instalment of premium due on 28/01/97 from the policyholder for re-instatement of the policy. On 07/02/19, the servicing branch requested the EPF to pay back the moneys. The EPF, vide its letter dated 26/02/19, however denied receipt of the moneys, alleged to have been refunded to it. While so, the branch office has been advised to check clearance details of the cheques concerned from its bank. As the cheques were issued long back, the bankers are not able to lay their hands on the matter, the insurer concluded.

**20) Reason for Registration of Complaint:** This is a case of non-settlement of Maturity value and hence, comes within the scope of Rule 13 (1) (a) of the Insurance Ombudsman Rules, 2017.

**21) The following documents were submitted to the Forum for perusal.**

- a) Policy document dated 07/03/94
  - b) Policy status report
  - c) Letters dated 20/06/96, 22/12/10, 19/11/16, 27/12/17 & 24/10/18 of the complainant addressed to the insurer
  - d) Letter dated 22/12/10 of the complainant addressed to the PF Commissioner
  - e) Letter dated 05/10/18 of Regional PF Commissioner addressed to the insurer(reassignment of Policy)
  - f) Challan cum Suspense Memorandum for Policy Deposit dated 26/07/96 of the insurer for Rs 3500/-
  - g) Challan cum Receipt for Miscellaneous Receipts dated 26/07/96 of the insurer for Rs. 325.50
  - h) Complaint dated 26/12/18 to the Forum
  - i) Annexure VI-A dated Nil submitted by the complainant
  - j) Self Contained Note (SCN) dated 02/03/19 of the insurer
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**22) Result of hearing with both parties (Observations & Conclusion):** Based on the submissions of both the parties made during the hearing and the documents submitted, it is observed as under:

a) Admittedly, the policy matured for payment on 28/01/2009. As per the Schedule of the policy, two Survival Benefits (each @ 25% of the Sum Assured) were payable on the life assured surviving 5/10 years from the date of commencement of the policy and the balance, viz. 50% of the Sum Assured was payable on 28/01/09 along with accrued bonuses.

b) Perusal of the copy of the policy document reveals that the servicing branch registered the assignment (made in favour of EPF, Madras-14) in its books on 11/07/96.

c) The complainant shared with this Forum copies of "Challan cum receipt for Miscellaneous Receipts) dated 26/07/96, issued by the CBO-XII of the insurer, acknowledging receipt of Rs. 3,825.50 towards revival of the subject policy. The insurer, in its SCN, acknowledged receipt of this amount under policy deposit account but added that there is no evidence of any health requirement (DGH) having been received from the complainant (to satisfy the insurer about continued insurability of the complainant), thus felicitating revival of the policy.

d) The SCN is silent as to whether any communication was ever sent to the complainant advising him to submit the health requirement to facilitate revival of the policy. During hearing, the complainant confirmed that he didn't receive any letter from the insurer after his remitting the sums on 26/07/96. It is the insurer's stand that since the amount paid by the complainant on 26/07/96 was not appropriated into premium, the First Unpaid Premium (FUP) stood at January 95. While so, the System didn't allow for adjustment of the subsequent remittances received from the EPF (commencing from 1998 and ending with 2008) and as a result, all remittances, amounting to Rs. 19,250 (11X1750), were kept in the policy deposit account.

e) After the policy matured for payment on 28/01/2009, the servicing branch of the insurer refunded the amount held in deposit to the EPF on 23/02/09 by means of 11 cheques. The insurer's case is that the said amount was encashed by the EPF on 04/04/09. The insurer, however, didn't produce

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any communication addressed to the EPF enclosing the refund cheques. The insurer shared this fact with the complainant (orally) only in the year 2017.

f) With regard to the instalment premium due on 28/01/1997, the insurer stated that there is no evidence of receipt of the same. The complainant submitted copy of his letter dated 22/12/10 addressed to the Customer Relations Officer of the insurer wherein he furnished details (like cheque no., with date and also, the amount) of the remittances made by the Provident Fund office to the insurer. As per the said letter, Rs. 1750/- was paid through cheque no. 898960 dated 11/03/1997 towards instalment premium due in the year 1997. The said letter was sent to the insurer around two years after the policy matured on 28/01/2009. Had the insurer immediately acted upon his letter, there is likelihood for the insurer to know about the fate of the remittance made by the PF office in the year 1997. Having failed to do so, it is not proper for the insurer to contend now that that there is no evidence of receipt.

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g) After issuance of the policy, due to non-payment of instalment premium (due on 28/01/95) within days of grace, the policy lapsed with effect from 28/01/95. Thereupon, on 26/07/96, the complainant remitted two instalments of premium (due on 28/01/95 & 28/01/96) together with interest, for reviving the subject policy. Had the insurer immediately (on receipt of the arrears of premium with interest) conveyed to the complainant regarding health requirements, if any, for considering the revival, the subject policy would have been revived. That, however, didn't happen, thus leading to non-payment of claim under an insurance policy which matured 10 years ago.

The complainant produced copies of his communications exchanged with the insurer in the years 1996, 2010, 2016, 2017 and 2018. It is indeed a sorry state of affairs that the complainant has been made to run from pillar to post to get the policy moneys which he is entitled to as per the contract of insurance. It is natural that with the elapse of fairly long time, the banker may not provide the information sought by the insurer now regarding "clearance details" of the cheques issued in the year 2009. The insurer is squarely at fault and hence, the complainant is entitled to applicable penal

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interest on the maturity sum plus penal interest for the two SB payments that had fallen due on 28/01/99 & 28/01/04.

h) Now that the EPF had written to the insurer, vide its letter dated 05/10/18, stating that it re-assigned the subject policy in favour of the complainant, the insurer shall settle the policy moneys direct to the complainant after registering the re-assignment in its books.

i) As per Rule 17 (7) of the Insurance Ombudsman Rules, 2017, the complainant shall be entitled to such interest at a rate per annum as specified in the Regulations framed under the IRDAI Act, 1999 from the date the claim ought to have been settled till the date of payment of the amount awarded by the Ombudsman.

Regulation 14 (iv) of IRDAI (Protection of the Policyholders' Interests) Regulations, 2017 envisages that in case of any delay on the part of the insurer in settling the maturity claim on the due date, the life insurer shall pay interest at a rate which is 2% above Bank rate from the date of payment or date of receipt of last necessary document from the insured/claimant whichever is later.

23)

**AWARD**

**Taking into account the facts and circumstances of the case & submissions made by both the parties during the course of hearing, this Forum directs the insurer to settle the eligible maturity claim under the policy (No. 712064482) along with two Survival benefit payments due on 28/01/1999 & 28/01/2004, with "interest", as envisaged in Rule no. 17(7) of the Insurance Ombudsman Rules, 2017.**

**The complaint is, therefore, allowed.**

24) The attention of the complainant and Insurer is hereby invited to the following provisions of the Insurance Ombudsman Rules, 2017.

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- a) According to Rule 17 (6) of the Insurance Ombudsman Rules, 2017, the Insurer shall comply with the Award within 30 days of the receipt of the Award and shall intimate the compliance to the Ombudsman.
- b) According to Rule 17 (7) of the Insurance Ombudsman Rules, 2017, the complainant shall be entitled to such interest at a rate per annum as specified in the Regulations, framed under the IRDAI 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) According to Rule 17 (8) of the Insurance Ombudsman Rules, 2017, the Award of the Insurance Ombudsman shall be binding on the Insurer.

**Dated at Chennai on this 31<sup>st</sup> day of May 2019**

**(M.VASANTHA KRISHNA)  
INSURANCE OMBUDSMAN  
STATE OF TAMIL NADU & PUDUCHERY**

**PROCEEDINGS BEFORE  
THE INSURANCE OMBUDSMAN, STATE OF TAMILNADU & PUDUCHERRY  
(UNDER RULE NO: 17 (1) OF THE INSURANCE OMBUDSMAN RULES, 2017)**

**OMBUDSMAN – SHRI M.VASANTHA KRISHNA**

**CASE OF: Shri V.V.SUBRAMANIAN Vs LIFE INSURANCE CORPORATION OF INDIA  
REF: NO: CHN-L-029-1819-0546**

**AWARD NO: IO/CHN/A/LI/0008/2019-20**

1.	<b>Name &amp; Address of the Complainant</b>	<b>Shri V. V. Subramanian E-31, Amudam Colony, South Boag Road, T Nagar, Chennai-600 017</b>
2.	<b>Policy No Sum Assured DOC Mode of payment of premium Instalment Premium Type of Policy Policy Term/Premium Paying term Date of Maturity First Unpaid Premium (FUP) Status of the policy</b>	<b>880731491 Rs. 2,00,000 02/10/1998 Half-Yearly Rs. 6411.00 Jeevan Mitra-Double cover 20/20 years 02/10/2018 02/04/2001 Lapsed without surrender value</b>

3.	Name of the Life Assured	V.V.SUBRAMANIAN
4.	Name of the insurer	Life Insurance Corporation of India, DO-II, Mumbai
5.	Date of Repudiation	Not a case of repudiation but case of Non-settlement of maturity claim
6.	Reason for repudiation	Not applicable
7.	Date of registration of the complaint	03/12/18
8.	Date of receipt of Annexure VI-A	12/12/18
9.	Nature of complaint	Non-payment of Maturity claim
10.	Amount of Claim	Nil (according to the insurer)
11.	Date of Partial Settlement	Nil
12.	Amount of relief sought	Rs. 2,00,000/- (Sum assured)
13.	Complaint registered under	Rule No. 13 (1) (b) of the Insurance Ombudsman Rules, 2017
14.	Date of hearing & Place of hearing	26/04/19 & Chennai
15.	Representation at the hearing	
	a) For the complainant	Shri V.V.Subramanian (Complainant)
	b) For the insurer	Ms B.Vijayalakshmi, Admn. Officer, LIC of India, DO-II, Chennai
16.	Complaint how disposed	By Award
17.	Date of Award	31/05/2019

### 18) Brief Facts of the Case:

During the year 1998, the complainant took a policy on his own life with Life Insurance Corporation of India, herein the insurer. The Sum assured was Rs. 2,00,000 and term of the policy was 20 years. The instalment premium of Rs. 6,411/- was payable at half-yearly rests. According to the complainant, premiums under the policy were paid only for the first three years and thereafter, Rs. 1,15,961/- was paid to the insurer (in 4 instalments) for revival of the policy. The complainant's case is that the insurer didn't revive the policy even after submission of medical report and arrears of unpaid premiums. The insurer, in its SCN, however, stated that premiums were not paid for full three years (as claimed by the complainant) and hence, the policy lapsed without acquiring surrender value. The insurer's stand is that it received only INR 63,104/- from the complainant (and



not Rs. 1,15,961/- as claimed by the complainant) but the same could not be utilized to revive the policy due to failure on the part of the complainant in not submitting the health requirements. The insurer, in its SCN, informed that the amount held in deposit will be refunded with applicable interest.

**19) Cause of Complaint:**

**a) Complainant's argument:**

The complainant's stand is that after taking the policy in the year 1998, he was forced to discontinue the payment of premiums as he was not satisfied with the services of the insurer's branch office. The policy matured for payment on 02/10/18 but there is no response from the insurer regarding settlement of his dues despite his follow-up, he further stated. He, therefore, requested for settlement of his hard earned moneys along with penal interest. During hearing, the complainant contended that premiums were paid for three years. He further added that he underwent medical examination which was arranged by the agent concerned, in connection with the revival of the policy.

**b) Insurers' argument:**

The complainant discontinued premium payments after paying October 2000 due. Thereafter, he sought to revive the policy by paying the arrears of premium on 17/03/03 & 14/10/05 but without fulfilling health requirements like Full Medical Report, DGH, etc and hence, the policy could not be revived. The complainant received intimation, viz. "revival quotation" dated 11/02/03, for reviving the policy and paid the amount of Rs. 28,104/- but without medical report. The complainant's statement that he sought loan against policy is not correct. The complainant was provided only with loan quotation. On 14/10/05, the complainant paid Rs. 35,000/- towards arrears of premiums but again without medical requirements. After receipt of letter dated 04/10/18 of the complainant (addressed to Manager {CRM}), the Branch was directed to proceed with the refund of moneys held under the deposit account. Since the amount paid by the complainant (in 2 instalments) was transferred to another account, approval has been sought from the higher office. As the policy is in lapsed state, no maturity benefit is payable. However, the amount held in deposit will be refunded to the complainant with applicable interest. The credit of Rs. 28,104/- on 21/11/05, as reflected in the deposit history, is not paid by the complainant (as claimed by him) and it represents only the amount paid by the complainant on 17/03/03, brought back in to account after being refunded.

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**20) Reason for Registration of Complaint:** This is a case of non-settlement of Maturity claim and hence, comes within the scope of Rule 13 (1) (a) of the Insurance Ombudsman Rules, 2017.

**21) The following documents were submitted to the Forum for perusal.**

- a) Policy document dated 13/05/99
- b) Policy status report
- c) Revival quotation dated 11/02/2003
- d) Premium History
- e) Complainant's letters dated 28/08/18 & 04/10/18 addressed to the insurer
- f) Complainant's mail dated 16/11/18 to the insurer
- g) Insurer's mail dated 12/11/18 to the complainant
- h) Complaint dated 29/11/18 to the Forum
- i) Annexure VI-A dated Nil submitted by the complainant
- j) Self Contained Note (SCN) dated 28/12/18 of the insurer

**22) Result of hearing with both parties (Observations & Conclusion):** Based on the submissions of both the parties made during the hearing and the documents submitted, it is observed as under:

a) i) As per the "Schedule" of the policy, premiums were payable for 20 years at half-yearly rests, the last instalment being April 2018. As risk under the subject policy commenced on 02/10/98, the subject policy matured for payment on 02/10/18. In his complaint, the complainant didn't specify the period up to which he paid the premiums nor submitted any documentary proof thereto. All what he said was that he was forced to discontinue the policy, as he was not satisfied with the (servicing of) Mulund branch of the insurer.

ii) During hearing, he stated that premiums were paid for three years but didn't submit any proof thereof. In his letter dated 04/10/18 addressed to the CRM department of Mumbai DO-II, he stated that premiums were paid till the end of the year 2008, amounting to Rs. 1,42,132. Nevertheless, in his letter dated 28/08/18, addressed to the Branch Manager, Mulund (West) Branch of the insurer, the complainant stated that premiums were regularly paid only for 3 years. As per the status report, the last due adjusted under the policy pertains to October 2000, the date of accounting being 22/01/01. In the absence of documentary proof (like premium receipt, etc.) from the complainant, it is just and proper to take April 2001 as the First Unpaid Premium (FUP), as evidenced by the status report of the insurer.

b) Condition no. 7 (Guaranteed Surrender value) of the policy document envisages that the policy shall acquire surrender value provided premiums were paid at least for three years. As per the status report of the policy, the First Unpaid Premium (FUP) was 02/04/2001 half-yearly due. It,

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therefore, follows that premiums under the policy were paid from 02/10/1998 to 02/10/2000 half-yearly due. In other words, three full years premiums were not paid under the subject policy. While so, the policy didn't acquire any surrender value and in view of non-payment of April 2001 due premium within days of grace and also, subsequent premiums, the policy lapsed and its status as on the date of maturity was "Lapsed without surrender value".

c) i) According to the complainant, he received intimation (revival quotation) from the insurer's branch for payment of Rs. 28,504/-, to be made on or before 12/03/03. The complainant contended that he paid the said amount by DD before the due date with Medical report. However, as per the SCN, the payment was received only on 17/03/03 which was subsequent to the validity period of revival quotation, viz. 16/03/03. The insurer further stated that no medical report was received from the complainant.

ii) The complainant further contended that based on the revival quotation dated 09/03/05, issued by the insurer, he paid Rs. 35,114/- along with Medical report. In his mail dated 16/11/18 addressed to the CRM department of Mumbai DO-2, he specified the date of remittance as 14/02/05 whereas, the insurer, in its SCN, mentioned that the payment was received only on 14/10/05 but without any medical report. The date of revival quotation being 09/03/05, question of payment of the revival amount on 14/02/05 does not arise. The insurer's stand is that it received only these two payments from the complainant and both have been parked in "deposit account".

d) i) Nevertheless, in his mail dated 16/11/18, addressed to the CRM department of the insurer, the complainant stated that Rs. 1,15,961/- was remitted by him in 4 instalments during the period from 01/03/03 to 07/03/08 but was not accounted by the insurer and instead, kept in the suspense account. Out of four such payments, the insurer confirmed that it received only two payments, viz. Rs. 28,104/- on 17/03/03 & Rs. 35,000 on 14/10/05 from the complainant. With regard to remittance of Rs. 28,105/-, alleged to have been made on 21/11/15, the insurer stated that it was not paid by the complainant but indeed, it represents the amount which was drawn for clearing the old deposit of Rs.28,104 received on 17/03/03 and re-deposited on 28/11/05. The insurer has not offered any comments with regard to the fourth payment amounting to Rs. 24,752/-, alleged to have been made by the complainant on 07/03/08.

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The complainant too didn't submit the relevant receipt, said to have been issued by the insurer to this Forum. Same is the case with regard to other three payments too.

ii) During hearing, the complainant was enquired whether he is in possession of any document, viz. "Receipt" issued by the insurer, with regard to Rs. 24,752/-, alleged to have been paid by him to the insurer. The complainant, however, replied in negative but added that he will verify with his Bank and inform the position. As on the date of this Award, no reply has been received from him. Hence, this Forum has inclined to accept the insurer's version that it received only two remittances, amounting to Rs. 63,104.00.

e) The insurer, vide its letter dated 11/03/19, stated that with regard to the first payment received on 17/03/03, the health requirements were conveyed to the complainant through the revival quotation itself. The reply, however, was silent with regard to follow-up, if any, made with the complainant regarding submission of health requirements. Regarding the second payment received on 14/10/05, the insurer replied that "there is no record of issue of any revival requirement". The complainant has also not averred that after making the payments, he was following up the matter with the insurer.

f) To sum up, it is patent that premiums were not paid for full three years and as such, the policy didn't acquire any surrender value. While so, nothing is payable under the policy in terms of the "Conditions and Privileges" governing the subject policy. The only issue that deserves adjudication by this Forum is whether the insurer's action of holding two remittances amounting to Rs. 63,104/- for over a period of more than a decade and without making any follow up with the complainant is in order.

g) Condition no. 3 of the policy document deals with "Revival of discontinued policies". As per the provisions contained therein, revival is subject to payment of arrears of premiums with interest plus submission of proof of continued insurability to the satisfaction of the insurer. It, therefore, follows that payment of arrears of premiums with interest is not alone sufficient for consideration of revival but submission of proof of continued insurability to the satisfaction of the insurer is also "*sine-qua-non*".

h) i) According to the insurer, no health requirements were received from the complainant but the latter contended otherwise. During hearing, the complainant informed to this Forum that the agent of the insurer arranged for his medical examination on both the occasions and after examination, the agent directly submitted the medical reports to the insurer. As medical report is a confidential

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document between the insurer and the medical examiner, it is not proper for this Forum to direct the complainant to produce a copy thereof to prove his stand.

He further reiterated that no correspondence was received from the insurer regarding non-submission of health requirements. In these circumstances, this Forum is inclined to accept his version that medical examination was done.

ii) This Forum, vide its mail dated 03/03/18, specifically called for the comments of the insurer vis-à-vis manual provisions/circulars governing refund of deposits to which the insurer didn't respond. This Forum, however, perused the circular dated 20/12/14 issued by the insurer with regard to "acceptance of policy deposit for revival of lapsed policy and charging of interest at the time of deposit adjustments". It is noted that the provisions contained in S No. 6 of the said circular do apply to the case on hand. It stated that first reminder should be sent to the life assured within 15 days of receipt of policy deposit whilst second reminder should be sent before expiry of two months period. It further stated that if the life assured fails to comply with the requirements, then such policy deposit shall be refunded at the end of three months from the date of receipt of the deposit, preferably through NEFT.

iii) Admittedly, the first deposit was received in the year 2003 whereas the second deposit in the year 2005. In-as-much as the above mentioned instructions/clarifications were issued in the year 2014, at least then, the insurer ought to have initiated refund action. But that didn't happen. According to the insurer, refund action was initiated only after receipt of the letter dated 04/10/18 from the complainant but the complainant refused to accept the payment for reasons best known to him.

iv) As observed "supra", it is a fact that the insurer didn't do any follow up with the complainant regarding submission of health requirements notwithstanding its holding moneys of the complainant in deposit account for over a period 16 years with regard to the first remittance and 14 years with regard to the second remittance. As mentioned earlier, even after issuance of clarifications by its Central office on 20/12/14 in the matter of "acceptance of policy deposit for revival of lapsed policy", the insurer didn't act. Only after receiving the complainant's letter dated 04/10/18, it woke up from its deep slumber and initiated refund action

v) This Forum agrees that "proof of continued insurability (of the life assured) to the satisfaction of the insurer" cannot be dispensed with for considering revival of the subject policy. However, it is on record that the insurer miserably failed to get such "proof" from the complainant within the prescribed

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timelines. While so, this Forum has no hesitation to hold that the insurer is at fault in not making any follow up with the complainant regarding health requirements but also, on account of its failure to refund the complainant's moneys within a reasonable/permissible time.

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vi) Against this backdrop, this Forum feels that the insurer's offer to refund the complainant's moneys with applicable interest will not meet the ends of justice. While so, in all fairness and equity, this Forum feels that payment of eligible maturity claim, as envisaged in the policy Schedule, after appropriating the complainant's moneys held in deposit account into premiums under the policy, by waiving health requirements, will alone do justice to the complainant.

vii) As per the revival quotation dated 09/03/05, the complainant was required to pay Rs. 51,288/- towards arrears of premium covering 8 instalments of premiums (from April 2001 to October 2004) together with interest. The complainant, however, paid Rs. 63,104/- which is in excess of the requisite amount. The insurer is, therefore, directed to adjust the entire sum of Rs. 63,104/- into premium for adequate number of instalments of premium with applicable interest and the balance amount, if any, be refunded to the complainant. By doing so, the status of the subject policy would be moving to "Reduced Paid-up" status from its present "lapse" status, thus paving way for settlement of eligible Paid-up maturity value to the complainant.

i) As per Rule 17 (7) of the Insurance Ombudsman Rules, 2017, the complainant shall be entitled to such interest at a rate per annum as specified in the Regulations framed under the IRDAI Act, 1999 from the date the claim ought to have been settled till the date of payment of the amount awarded by the Ombudsman.

Regulation 14 (iv) of IRDAI (Protection of the Policyholders' Interests) Regulations, 2017 envisages that in case of any delay on the part of the insurer in settling the maturity claim on the due date, the life insurer shall pay interest at a rate which is 2% above Bank rate from the date of payment or date of receipt of last necessary document from the insured/claimant whichever is later.

**23)**

**AWARD**

**Taking into account the facts and circumstances of the case & submissions made by both the parties during the course of hearing, this Forum directs the insurer to settle the eligible Paid-up maturity claim under Policy No.880731491, with "interest", as envisaged in Rule no. 17(7) of the Insurance Ombudsman Rules, 2017.**

**24)** The attention of the complainant and Insurer is hereby invited to the following provisions of the Insurance Ombudsman Rules, 2017.

- d) According to Rule 17 (6) of the Insurance Ombudsman Rules, 2017, the Insurer shall comply with the Award within 30 days of the receipt of the Award and shall intimate the compliance to the Ombudsman.
- e) According to Rule 17 (7) of the Insurance Ombudsman Rules, 2017, the complainant shall be entitled to such interest at a rate per annum as specified in the Regulations, framed under the IRDAI 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.
- f) According to Rule 17 (8) of the Insurance Ombudsman Rules, 2017, the Award of the Insurance Ombudsman shall be binding on the Insurer.

**Dated at Chennai on this 31<sup>st</sup> day of May 2019**

**(M.VASANTHA KRISHNA)  
INSURANCE OMBUDSMAN  
STATE OF TAMIL NADU & PUDUCHERY**

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