

Death Claim

Ahmedabad Ombudsman Centre

Case No. 21-001-0296

Mr S B Rabari

Vs

Life Insurance Corporation of India

Award dated 5-5-2006

Repudiation of Death Claim on the grounds of suppression of material facts at the time of taking Insurance. It was observed that a Certificate of Treatment noted the fact that the deceased was diagnosed of Pulmonary Koch's and was taking treatment since five years before proposing for this Insurance Policy. As per the Insurers underwriting rules, special reports, Radiological/Pathological tests etc were necessary had this health history been disclosed by the deceased. Thus materiality got established. As such, the decision of the Respondent to repudiate the Claim was upheld with no relief to the Complainant.

Ahmedabad Ombudsman Centre

Case No. 21-001-0307

Sri. P R Chaudhari

Vs

Life Insurance Corporation of India

Award dated 9-5-2006

Repudiation of Death Claim :: The Complainant's husband died within 11 months of taking a Life Insurance Policy. Claim was repudiated on the grounds of non disclosure of Throat Pain/Difficulty in swallowing for 15 days as revealed in the Certificate of Hospital Treatment taken by the deceased. The Certificate revealed that the first consultation took place on 15th October 2004. If one goes back by 15 days, at best the symptoms could have started on 30th Sept 2004. The proposal of the subject policy was dated on 24th Sept. As such, since the Respondent did not possess a single document to prove grounds for repudiating the Claim, Repudiation of the Claim was set aside and the Respondent was directed to pay the full claim amount.

Ahmedabad Ombudsman Centre

Case No. 21-001-0346

Sri S K Pachal

Vs

Life Insurance Corporation of India

Award dated 12-5-2006

Repudiation of Death Claim :: The policy on the life of the deceased had lapsed due to non payment of premiums. While making an application for reviving the same, the deceased had mentioned that his state of health on the date of the Declaration of Good Health was good. From the documents on record, it was seen that the deceased had

undergone several pathological and radiological tests for treatment of Active Tubercular Lesion in the Right Lung and Left Upper and Mid Zones and for Bilateral extensive Tuberculosis. Non disclosure of this extensive ailment denied the opportunity to the Respondent to properly assess the risk. As such, the Respondent was directed to pay the paid-up-value as on the date of lapse as full and final settlement of the Claim.

Ahmedabad Ombudsman Centre
Case No. 21-009-0007
Smt. K D Parmar
Vs
Bajaj Allianz Life Insurance Co. Ltd.

Award dated 31-5-2006

Repudiation of Death Claim: It was observed that the Deceased while applying for Insurance did not mention that he had taken a policy from Aviva Life Insurance Co. Ltd. only six months back for the sum of Rs. 7 lacs. This non-disclosure was held to be material since Financial Underwriting and Previous Insurance History are important factors to be considered before acceptance of the risk. As such, the decision of the Insurer to Repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0013
Smt. R A Mehta
Vs
Life Insurance Corporation of India

Award dated 31-5-2006

Repudiation of Death Claim : It was observed from the documents, that the deceased while filling up the Proposal form for Insurance had not informed the fact that she was admitted to the Hospital only 5 months before for Whole Blood Transfusion. Again under the head "Family History", she had mentioned that her sister was in good health, while records credibly showed that her sister was suffering from Thalassaemia Major since her birth and that she was transfusion dependant. These misstatements/non disclosures were critical to impact appraisal of the risk by the Insurer. Again, these very significant non-disclosures done by the deceased who was a practicing Advocate establishes both materiality and intent. As such, the decision of the Respondent to repudiate the subject claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0366
Smt. M S Solanki
Vs
Life Insurance Corporation of India

Award dated 7-6-2006

Partial Repudiation of Death Claim : It was observed from the records that the subject policy was on the life of a minor child. As per the Underwriting guidelines of the Respondent Insurer, risks on the life of a minor should not exceed the insurance held on the life of the Parents of the minor. Even though, the proposal form for insurance

had sum insured on the parent's life of Rs. 6.25 lacs, it was observed that due to misstatements, the Sum Assured of the parent's life was actually Rs. 1.25 lacs only. Another policy of Sum Assured of Rs. 1 lac was not mentioned in the Proposal Form. Thus the total Sum Assured up to which Insurance could be granted to the minor came to Rs. 2.25 lacs and the Respondent was directed to pay the same with accrued bonus to the legal.

Ahmedabad Ombudsman Centre
Case No. 21-001-0375
Mrs. U A Patel
Vs
Life Insurance Corporation of India

Award dated 7-6-2006

Repudiation of Death Claim : It was observed from the records that the deceased died within 9 days of issue of First Premium Receipt. It was observed that the deceased had mentioned a previous insurance of Sum Assured of Rs.50000/- while he had another policy of Sum Assured of Rs. 50000/-. The misstatement was critical in appraising the Risk since the Respondent was denied the opportunity to call for additional medical requirements for the increased Sum Assured. Hence it got established that the suppression was of a material fact. As such, repudiation of the subject Claim was upheld with no relief to the Complainant.

Ahmedabad Ombudsman Centre
Case No. 21-001-0373
Smt. S B Dabhi
Vs
Life Insurance Corporation of India

Award dated 7-6-2006

Repudiation of Death claim :: The Insurance Policy lapsed due to non payment of premiums. In order to revive the same, a personal statement of health was called for. While filling up the same, the Insured did not disclose that he was suffering from Pulmonary TB and that he was taking treatment for the same for the past 8 months. Proof of treatment was obtained by the Insurer from the Medical Officer of the Community Health Centre. Since the facts withheld were intentional and material, the decision of the Respondent to repudiate the Claim was upheld

Ahmedabad Ombudsman Centre
Case No. 21-001-0204
Smt H P Adhikari
Vs
Life Insurance Corporation of India

Award dated 22-6-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned presence of any disease. He had also declared that he was in good health. The Assured died within 2 months of taking the policy. In the Certificate of Treatment, the treating physician had noted that the deceased was diagnosed to have been suffering from Epilepsy one year prior to taking

the policy. He was having a history of intermittent fits. He was given anti-epilepsy treatment and was advised to continue the treatment for a long time. Non disclosure of this material fact denied the Insurer an opportunity to call for further Medical Reports in order to decide whether to accept the proposal for Insurance. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0079
Sri R P Parmar
Vs
Life Insurance Corporation of India

Award dated 17-7-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned the fact of taking liquor daily since 2-3 years and the fact that he was treated for 2 years for Liver and Anti-peptic drugs prior to filling the proposal form. The Assured died due to blood vomiting due to "excessive bleeding with peptic ulcer" within a year of taking the Insurance and the Claim was repudiated 4 months later. Non disclosure of this material fact denied the Insurer an opportunity to call for further questionnaires and Medical Reports in order to decide whether to accept the proposal for Insurance. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0059
Smt R K Vala
Vs
Life Insurance Corporation of India

Award dated 17-7-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned the fact of taking Sick Leave for 72 days of leave for treatment of Myocardial Infarction and Diabetes. The said leaves were taken only 2 years before proposing for the current insurance. The Assured was an employee of Western Railways. The Assured died due to Heart Attack which had a direct nexus with the mis-statement. Non disclosure of this material fact denied the Insurer an opportunity to call for ECG, TMT Tests etc. The Case could have been taken to the higher Authority and the said decision might have been much different from unqualified acceptance of the Risk. Thus the non-disclosure was established to have been material. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0043
Smt. C B Panchal
Vs
Life Insurance Corporation of India

Award dated 19-7-2006

Repudiation of Claim under Life Insurance Policy: While reviving the life insurance policy which had lapsed due to non payment of premiums, the deceased Life Assured had not mentioned the fact that he was suffering from Abdominal Koch's which was

first observed by him only a month before filling up the forms for Declaration of Good Health to revive the policy. The Respondent produced certificate of Treatment/Hospital Treatment which also brought out the history of Abdominal pain, vomiting etc. reported by the Patient himself prior to his admission to the Hospital. An Operation was also carried out, all of which was done only 20 days before filling the Declaration of Good Health. Since, the fact was critical to appraise the risk, it got proved that material facts were suppressed. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0032

Smt. S Y Patel

Vs

Life Insurance Corporation of India

Award dated 21-7-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned the habit of tobacco chewing. The Assured died due to Cancer of Neck Stage III, which had a direct nexus with the mis-statement. Non disclosure of this material fact denied the Insurer an opportunity to call additional Tests. The Case could have been taken to the higher Authority and the said decision might have been much different from an unqualified acceptance of the Risk. Thus the non-disclosure was established to have been material. Repudiation took place within 22 months of date of proposal. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0047

Smt. M J Patel

Vs

Life Insurance Corporation of India

Award dated 24-7-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned that he was suffering from "Pemphigus characterized by Blister over Skin and Mouth for 3 years" and that treatment was taken from several Hospitals. The Assured died due to Pemphigus, which had a direct nexus with the mis-statement. Non disclosure of this material fact denied the Insurer an opportunity to call additional Tests. The Case could have been taken to the higher Authority and the said decision might have been much different from an unqualified acceptance of the Risk. Thus the non-disclosure was established to have been material. Repudiation took place within 9 months of date of proposal. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0335

Mr. Y B Pathak

Vs

Life Insurance Corporation of India

Award dated 27-7-2006

Repudiation of Claim under Life Insurance Policy: While reviving the life insurance policy which had lapsed due to non payment of premiums, the fact that the Life Assured was suffering from Thalassemia Major and that blood transfusion was administered to the Deceased for 10 years increasing with the passage of time prior to the date of proposal. The Respondent produced Follow-up Card from treating Children's Hospital and a number of records including Special Laboratory Investigation reports confirming the disease. If disclosed at the time of Policy/revival, specialised Reports would have been called for, papers sent to higher Offices and the revival would have been very likely declined. Thus, since the fact was critical to appraise the risk, it got proved that material facts were suppressed both at the time of Proposal as well as at the time of Revival. As such, the decision of the Respondent to repudiate the Claim ab-initio was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0067

Mrs. S A Shah

Vs

Life Insurance Corporation of India

Award dated 2-8-2006

Repudiation of Claim under Life Insurance Policy: The Declaration of Good Health and other Medical papers required to revive the Life Insurance Policy had gone missing. The Revival was done in March 2003 and the Assured died due to Cancer three months later. From the records available, it was observed that in August 2002, the Assured was diagnosed for Lymph node Metastatic Squamous Cell Carcinoma for which he had taken treatment in Tata Memorial Hospital. The said Tumour was operated in Sept 2002. Even though the Declaration of Good Health is now missing, the fact of the Assured suffering from Cancer for 7 months before the revival was effected, became critical points to be considered. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0094

Mr A P Shukla

Vs

Life Insurance Corporation of India

Award dated 7-8-2006

Repudiation of Claim under Life Insurance Policy by invoking Suicide Clause: It was observed that the Deceased hung herself to death on 2-12-2004 due to unknown reasons. The Date of Commencement of the Policy was 23-11-2003 while the date of First Premium receipt was 15-12-2003. The Complainant argued that since death occurred beyond one year from the date of commencement, the exclusion clause does not apply. However, Hon'ble Supreme Court while deciding in the matter of L.I.C. of India vs Dharam Vir Anand (CA No. 5063 of 1998) had decided that the period of one year should be interpreted from the date on which the risk had commenced. Since death due to suicide occurred within one year from the date of commencement of risk, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0029

Smt G S Bangari
Vs
Life Insurance Corporation of India

Award dated 7-8-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned the fact of taking treatment for Malaria for 13 days two years prior to filling the proposal form. The Assured died within 13 days of taking the policy. Non disclosure of this material fact denied the Insurer an opportunity to call for Haemogram with MP, Attending Physician's report. Such proposals are normally accepted by the Higher Offices. Thus materiality of the non-disclosed fact got established. The Complainant's argument was that treatment papers were obtained only from a Homeopath, which does not get acceptance since the Assured had himself taken treatment from him and relied on his treatment for 13 days. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0102
Smt M A Sachdev
Vs
Life Insurance Corporation of India

Award dated 10-8-2006

Repudiation of Claim under Life Insurance Policy: While filling up the forms for Reviving a lapsed Life Insurance policy on the life of the deceased, the Assured had not mentioned the fact of taking treatment for Hypertension for the last 4-5 years. The Assured died within a year of Revival. The above facts were recorded by the Cardiologist, who had treated the deceased. The Daily Treatment Records in the Hospital too noted Hypertension. Non disclosure of this material fact denied the Insurer an opportunity to call for further questionnaires and Medical Reports in order to decide whether to accept the revival of the lapsed Insurance Policy. Thus the Revival was declared void and the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0090
Mr. G M Zala
Vs
Life Insurance Corporation of India

Award dated 14-8-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned the fact of taking treatment for Tuberculosis prior to filling the proposal form. The Assured died within 11 months of taking the policy. Nondisclosure of this material fact denied the Insurer an opportunity to call for Specialised reports. Such proposals are normally accepted by the Higher Offices. The Respondent could prove the existence of the ailment by producing copies of Treatment Card from "Revised National Tuberculosis Control Programme, Dist. Kheda" wherein it had been noted that the deceased was a patient of pulmonary disease. Thus materiality

of the non-disclosed fact got established. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0091
Sri V R Suthar
Vs
Life Insurance Corporation of India

Award dated 14-8-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had mentioned that she had menstruated a week to a fortnight before signing the Proposals for Insurance. The Respondent produced a Certificate of Treatment by the Treating Doctor, which stated that the DLA herself had reported details of her gynaecological problems and that she was suffering from Amenorrhoea-Absence of Menstrual Periods nearly two months prior to the date of Proposal. Thus, it got established that she had missed her menstrual period while she signed the Proposal for Insurance. As is known, the Insurer restricts acceptance of risk on the life of a lady proponent on the basis of her gynaecological status, pregnancy or otherwise. Non-disclosure of this material fact denied the Insurer an opportunity to call for Specialised reports. Such proposals are normally postponed till re-establishment of menstruation. Thus materiality of the non-disclosed fact got established. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0084
Mrs. K S Prajapati
Vs
Life Insurance Corporation of India

Award dated 14-8-2006

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had mentioned in the Self Declaration of Age Proof that his age while taking the proposal was 50 years. The Ration Card on record shows the age of the Deceased to have been 57 years on the date of the Proposal. This alleged misstatement resulted in an understatement of age by 7 years. Nutan Janaraksha Policy can be granted to proposers whose age is upto 50 years. The misstatement induced the Respondent to believe that there was no problem in issuing the Policy under the said plan. Again, the Respondent could produce a Certificate of Treatment by the Treating Doctor, which proved that the deceased was suffering from Chronic Bronchitis and Asthma prior to taking the Policy. Thus materiality of the non-disclosed fact got established. As such, the decision of the Respondent to repudiate the Claim was upheld.

Bhopal Ombudsman Centre
Case No. LI-767-21/03-06/BPL
Shri Tulsiram
Vs
Life Insurance Corporation of India

Award Dated 12.04.2006

Shri Tulsiram, Complainant is the son-in-law of Late Smt. Gulab Bai, DLA. DLA had a life insurance policy numbered 351812934 on 19.10.2002 from the Respondent. The DLA died on 28.10.2004. When the complainant approached the Respondent for death claim, the same was repudiated on the ground of suppression of material facts regarding health of DLA in the Proposal form of policy in question. Subsequently, the Complainant had referred the case to Respondent's claim review committee for reconsideration, which was also upheld by them. The claimant preferred a complaint to this Office.

Observations of Ombudsman: I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

The Complainant contended that the DLA did not suffer from any ailments in the past and that she was absolutely normal at the time of taking the policy in question.

The Respondent contended that DLA was operated for ASD 6-8 years back which was suppressed by DLA in Proposal form.

On scrutiny, it is observed from hospital records that DLA was a known case of ASD 10 years back and admitted in the hospital for breathlessness, cough, palpitation. Transfer Summary sheet of the hospital dated 27.10.2004 also shows that the DLA was a known patient of ASD (operated) with CRF & CCF and that she was operated for ASD 8 years back. It is further observed from Claim form B that the primary cause of DLA's death was cardiovascular arrest and Secondary cause was ASD (operated) with CCF whereas the proposal form for insurance signed by DLA shows that she was keeping normal health.

Thus from the foregoing facts it is clear that there is a direct nexus between the cause of death and the ailments suffered by DLA. Hence it is clear that the DLA intentionally suppressed material facts regarding health at the time of taking policy.

Insurance is a contract of Utmost Good Faith where both the parties are required to disclose all the material facts. In the present case, DLA has given incorrect statement regarding his health to mislead the Respondent to accept his proposal on his life. Had the DLA disclosed his past illness, it would have certainly affected the Respondent's underwriting decision.

In view of the circumstances stated above, I am of the considered opinion that the decision of the Respondent to repudiate the claim on this ground is fair and justified. I found no reason to interfere with the decision taken by the Respondent. Hence the complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No. LI-808-24/04-07/JBP
Smt. Rajkumari Raje
Vs

Life Insurance Corporation of India

Award Dated 08.05.2006

Smt. Rajkumari Raje, Complainant is the wife of Late Shri Rajesh Gayakwad, DLA. DLA had a policy numbered 372644061 taken from the Respondent. The DLA died and the death claim was preferred by the Complainant, being wife of DLA, with the Respondent. The Respondent informed the Complainant that the policy is already nominated in favour of Master Jaypal Gayakwad, aged 11 years (Brother of DLA) with appointee, Shri Deepchand Gayakwad (father of Minor Nominee), and accordingly asked the

Complainant to submit the succession certificate to consider the death claim. The claimant preferred a complaint to this Office on the grounds that the Respondent has deliberately paid the death claim without waiting for the succession certificate when the matter to obtain the same was in process.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

The Complainant informed that the death claim was paid to the existing nominee without any intimation from the Respondent and without waiting for succession certificate.

The Respondent contended that the death claim was paid to the appointee appointed by the DLA himself as the nominee was a minor.

It is observed that in the instant case the nominee is a minor and where the Nominee is a minor, as provided by the Insurance Amendment Act, 1950, the life assured has the right to appoint any person as Appointee to receive the policy moneys secured by the policy in the event of Assured's death during the minority of the Nominee. As such the Respondent has rightly paid the claim to the appointee of the nominee as per the Policy conditions.

In view of the circumstances stated above, I am of the considered opinion that the decision of the Respondent to settle the claim by way of paying the claim to nominee as mentioned in the policy on this ground is fair and justified. I found no reasons to interfere with the decision taken by the Respondent. Hence the complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No. SBI-707-21/01-06/MUM
Smt. Anita Masih
Vs
SBI Life Insurance Co. Ltd.

Award Dated 15.06.2006

Smt. Anita Masih, Complainant is the wife of Late Shri Sheikh Ismail, DLA. DLA was covered under a group policy numbered 82001109708 with the Respondent. The DLA died on 09.01.2004 due to Cardiac Failure. The death claim was preferred by the Complainant with the Respondent but the same was delayed. The claimant preferred a complaint to this Office.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

It is observed from records that the Death claim certificate issued by doctor shows that the DLA died on 09.01.04 due to cardiac arrest; the nature of illness from which he suffered was Cirrhosis of liver, E.Varicos & Jaundice; the symptoms from which he was suffering 45 days prior to his death was Hepatomegaly, Jaundice & Heametomosis. It is also observed from the same doctor's report under the caption details of consultations that DLA was under his treatment since 02.10.03 for Jaundice & Hepatomegaly whereas it is observed from the statement given by DLA on DGH dated 08.10.2003 that he was keeping normal health.

This clearly shows that DLA was already suffering from cirrhosis of liver, etc. much prior to taking the above policy but intentionally suppressed in DGH at the time of

taking Policy. Thus there is a direct nexus between the cause of DLA's death and the diseases suffered by him in the past.

In view of the circumstances stated above, I am of the considered opinion that the decision of the Respondent to repudiate the claim on this ground is fair and justified. I found no reason to interfere with the decision taken by the Respondent. Hence the complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No. LI-820-21/04-07/IND
Smt. Mangoo Bai Choudhary
Vs
Life Insurance Corporation of India

Award dated 16.06.2006

Smt. Mangoo Bai Choudhary, Complainant is the wife of Late Shri Girdharilalji Choudhary, DLA. DLA had a life insurance policy numbered 344220443 from the Respondent taken on 21.11.2002. The DLA expired on 05.01.05 due to Chest Wall Fistula. When the death claim was preferred by the Complainant with the Respondent, the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of taking policy. The claimant preferred a complaint to this Office.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

The complainant contended that the DLA was admitted in Geeta Hospital, Barnagar from 18.12.04 to 22.12.04. The death occurred on 05.01.05 at home hence no medical aid was possible during his death. Therefore, actual cause of death of DLA was not known.

The Respondent contended during hearing that the DLA was a patient of Chest wall fistula for the last 15 years which caused his death.

On scrutiny of records, it is observed that no evidential proofs, viz., Investigation report, Blood test report, X-ray, prescription of doctor treating him, etc. have been submitted by the Respondent to prove that the DLA was a patient of Chest wall fistula since 15 years.

The Respondent only tried to strengthen its contention on the basis of Dr. L.A. Kapadia's report and the Respondent's Investigation report was just based on Dr. Kapadia's report and no other evidence was shown recommending repudiation of the claim . Dr. Kapadia is a Surgical Specialist, Distt. Hospital, Barnagar.

It is apparent from the above that Respondent's contention merely on the basis of Dr. Kapadia's report that DLA was a patient of Chest wall fistula is not tenable as Dr. Kapadia is only a Surgical Specialist whose report cannot be considered as a conclusive proof with regard to chest/lung diseases.

Had the DLA suffered from the disease since 15 years as contended by the Respondent, some Special Investigation reports from Cardiologist, viz., Blood report/X-ray report, doctor's prescription with regard to treatment, etc. would have been made available to show that DLA was actually a patient of chest disease.

It is further observed from the Claim form B1 issued by the same doctor, Dr. Kapadia that the duration of illness suffered by DLA is mentioned as only one month which itself is in contradiction with the previous report of the doctor relied upon by the Respondent.

It is further observed that the DLA was admitted in Geeta Hospital, Barnagar only during the period 18.12.04 to 22.12.04 for a minor surgery of boil on his back and death occurred on 05.01.05.

Thus, there is no conclusive proof of any sort to show the actual cause of death of DLA hence it is concluded that the death of DLA is sudden. Further, no malafide intention of DLA is found in taking the policy in question as he also had a previous policy numbered 340553900 taken in the year 1990 which shows that he was an insurance minded person.

In view of the above, it stands that the Respondent's decision of repudiating the claim under the Policy is not tenable.

Bhopal Ombudsman Centre
Case No. LI-868-21/05-07/BPL
Smt. Kanak Chaturvedi
Vs
Life Insurance Corporation of India

Award Dated 28.06.2006

Smt. Kanak Chaturvedi, Complainant is the wife of Late Shri Yogesh Chaturvedi, DLA. DLA had two life insurance policies numbered 350815873 & 350816078 from the Respondent. The DLA died on 04.10.2005 due to Diabetes Mellitus, Hypertension and Head Injury. When the complainant approached the Respondent for death claim, the same was repudiated on the ground of suppression of material facts regarding health of DLA in the Proposal form of policy in question. The claimant preferred a complaint to this Office.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

The Complainant contended that the DLA was throughout keeping normal health and that he never availed any leave from Office on sick grounds. However, DLA was hurt by his enemies at home on 09.07.2005 which resulted into head injury and was immediately admitted in Hamidia Hospital, Bhopal.

The Respondent contended that the DLA was a known patient of DM2 and HTN since 2 1/2 years.

It is observed from records that DLA was an employee of Hamidia Hospital, Bhopal. However, Hospital records/Discharge sheet of DLA's admission on 09.07.2005 in Hamidia Hospital, Bhopal are not available on records. It is also observed from records that treatment papers of Hamidia Hospital, Bhopal shows that the DLA was a known patient of DM2 since 2 ½ years and HTN since 1 year with history of head injury on 6th July.

It is also observed from Claim forms B & B1 issued by Dr. R.K. Jain, Hamidia Hospital who attended the DLA during his last illness that the primary cause of death was Diabetes Mellitus, Hypertension and Head Injury and Secondary cause of death was Post head injury psychosis and that he was suffering from DM and HTN since 2 years.

This clearly shows that DLA was already suffering from Diabetes Mellitus and Hypertension but intentionally suppressed in the Proposal forms under Policies in question.

Insurance is a contract of Utmost Good Faith where both the parties are required to disclose all the material facts. In the present case, DLA has given incorrect statement

regarding his health to mislead the Respondent to accept his proposal on his life. Had the DLA disclosed his past illness, it would have certainly affected the Respondent's underwriting decision.

In view of the circumstances stated above, I am of the considered opinion that the decision of the Respondent to repudiate the claim on this ground is fair and justified. I found no reason to interfere with the decision taken by the Respondent. Hence the complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No. LI-836-21/05-07/GWL
Smt. Leela Rawat
Vs
Life Insurance Corporation of India

Award Dated 29.06.2006

Smt. Leela Rawat, Complainant is the wife of Late Shri Diwarilal Rawat, DLA. DLA had a life insurance policy numbered 202208672 from the Respondent taken on 31.01.04. The DLA expired on 01.02.04 in Police Encounter. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds that the death of DLA occurred before acceptance of proposal. The claimant preferred a complaint to this Office.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

The complainant contended that the DLA died in Police encounter.

The Respondent contended that the premium was deposited only after the death of DLA hence the claim was repudiated.

It is observed from FIR that the timing of incident is recorded as on Saturday dated 31.01.04 at 18.30 hrs. and the death of DLA occurred at 20.15 on 31.01.04 due to bodily injuries in Police encounter and that the body was sent for Post Mortem on 31.01.04 at 22.30 as per the Post Mortem Requisition filled in by Police. It is also observed from opinion of doctor in Post Mortem Report dated 01.02.04 that the body of DLA was brought to Karuna Hospital, Sheopur at 8.45 pm on 31.01.04 for Post Mortem purpose and Post Mortem was done on 01.02.04.

Further, it is also observed from records that the computerized premium transaction report of Respondent shows that the premium amount of Rs. 10836/- under Policy in question was accounted at 22.51 on 31.01.04 vide Transaction number 11218 FP. This Transaction was effected through Green Channel System of the Respondent and FP receipt was issued on 31.01.04 by Branch No. 357 (Bhind BO under Gwalior Division) at 22.51 hrs.

Thus, it is apparent from above that the DLA died on 31.01.04 at 20.15 but the premium was paid at 22.51 on 31.01.04 which clearly shows that the premium was deposited only after the death of DLA.

In view of the above, the decision taken by the Respondent is just and fair hence does not require any interference. The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No. LI-847-21/05-07/IND

Smt. Nirmala Gousar
Vs
Life Insurance Corporation of India

Award Dated 30.06.2006

Smt. Nirmala Gousar, Complainant is the wife of Late Shri Rajesh Gousar, DLA. DLA had a life insurance policy numbered 341733125 taken on 28.09.2003 from the Respondent. The DLA expired on 17.11.04 due to Cancer. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding habits of DLA at the time of taking policy. The claimant preferred a complaint to this Office.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

The Complainant disclosed that DLA had other 4 insurance policies for which claim amounts were settled.

The Respondent contended that the DLA was having tobacco consumption history since 10 years which was deliberately suppressed by him in the Proposal form of the Policy in question due to which the claim was repudiated.

It is observed from records that prescription papers of Dr. J. Tiwari, M.Y. Hospital, Indore shows that DLA was consulted for Ulcer over left cheek which he was suffering since 4 months and he had a history of Tobacco consumption. It is also observed from prescription papers of Dr. Ajay Agrawal, Geeta Bhavan Hospital, Indore that DLA had a history of Tobacco addiction since 10 years and was consulted for Ulcer in left cheek.

Further, hospital records of Shaskiya Gyara Panch Trust Cancer Hospital, Indore dated 08.10.04 shows that DLA was treated for Cancer in Left Cheek which was in an advanced stage.

This clearly shows that DLA was a Tobacco addict since 10 years but intentionally suppressed in the Proposal form under the Policy in question. It is also apparent that there is a direct nexus between the cause of death of DLA and his habits.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the present case, there are sufficient evidential proofs to show that the DLA was a tobacco intaker but suppressed the same in the Proposal form. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the above, the decision taken by the Respondent is just and fair hence does not require any interference. The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No. LI-848-21/05-07/BPL
Smt. Karuna Ramtaka

Vs

Life Insurance Corporation of India

Award dated 07.07.2006

Smt. Karuna Ramtaka, Complainant is the wife of late Shri Mohan Ramtaka, DLA. DLA had a life insurance policy numbered 350241145 from the Respondent taken on 28.03.2000. The DLA expired on 16.07.2004 due to shock and haemorrhage with multiple injuries. The death claim along with AB was preferred by the Complainant with

the Respondent but only the claim was settled for basic sum assured and claim for accidental sum assured was repudiated. The claimant preferred a complaint to this Office.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

The Complainant contended that the DLA was an employee of BSNL and he never used to take alcohol.

The Respondent contended that the DLA was under the influence of liquor during the accident hence the basic sum assured was only paid and Accident Benefit claim was repudiated. Also, the Respondent referred to Q.No. 5 (a) & (b) of claim form B issued by Dr. Ashok Gupta, Ayushman Hospital, Bhopal who treated DLA during his last illness that the replies therein show that the DLA was a habitual alcoholic and that his symptoms during death aggravated due to alcohol intake. However, a payment of Rs. 99060/- was made towards Basic Sum Assured under the policy in question vide cheque no. 44159 dated 31.05.05.

It is observed from 'Naksha Panchnama' Report dated 16.07.04 that the DLA's death was due to multiple injuries on fall which happened due to alcohol consumption.

It is also observed from the opinion report of Respondent's Divisional Medical Referee, Dr. Rajeev Madan that the reason for negative to chemical poison in viscera examination is that the DLA was alive for few hours after consuming alcohol which would have been metabolized through liver, kidney.

It is evident from FIR dated 14.01.05 that the DLA had consumed alcohol at the time of accident, revealed through interrogation.

It is also observed from the statement in Post Mortem Requisition application of Police that the DLA fell from 3rd floor, injured his head and back and had also consumed alcohol, hence recommended for Viscera Examination.

This clearly shows that the DLA was under the influence of intoxicating liquor. Thus, in the present case, there are sufficient evidential proofs to show that the DLA was under the influence of alcohol and the Complainant's contention is not tenable as per terms & conditions of Policy, viz., Policy condition no. 10 (b) enumerates that "the Corporation shall not be liable to pay any accidental sum if the disability or death of life assured shall be caused by intention self-injury, attempted suicide, insanity or immorality or whilst the life assured is under the influence of intoxicating liquor or narcotic."

In view of the above, the decision taken by the Respondent in repudiating the Accident Benefit claim is just and fair hence does not require any interference. The complaint is dismissed without any relief.

**Bhopal Ombudsman Centre
Case No. LI-829-21/05-07/JBP
Smt. Nanhi Bai Dhamde**

Vs

Life Insurance Corporation of India

Award dated 21.07.2006

Smt. Nanhi Bai Dhamde, Complainant is the wife of Late Shri Kuvarlal Dhamde, DLA. DLA took a life insurance policy numbered 373023748 from the Respondent on 28.01.04. The DLA died on 02.01.05 due to heart attack. When the death claim was preferred by the Complainant with the Respondent, the same was repudiated on the

grounds of understatement of age by DLA at the time of taking policy. The claimant preferred a complaint to this Office.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

The Complainant stated that the DLA was an illiterate and he was aged 49 years at the time of submitting proposal for the policy in question. He was working as a daily wager in agricultural fields.

The Respondent stated that the DLA had given Self declaration as an Age Proof in F.No. 5096 along with the Proposal form of the Policy in question wherein he had declared his age as 49 years. After repudiation of claim, the Complainant had produced copy of School Certificate of DLA wherein the date of birth is given as 01.07.1952 , i.e. DLA was aged 52 years at the time of taking the abovesaid policy. Had the correct age been mentioned at the proposal stage, underwriting requirements would have been different. Also due to the understatement of age of DLA by 3 years, the premium charged from him was also low. The Respondent further contended that in the proposal form, the DLA had declared himself as an illiterate person and had put thumb impression while he was holding School Certificate. Also, the Policy had run for less than one year.

It is observed from records that the School Certificate of DLA shows his Date of Birth as 01.07.1952. While he was having School Certificate, he cannot pose himself to be an illiterate in the Proposal form thumb impressed by him dated 25.01.04 which shows that he had mentioned himself to be an illiterate person and also had submitted Self-declaration on F. No. 5096, declaring his age as 49 years. It is also observed from the copy of Ration Card that the DLA was aged 53 years in the year 2001.

Thus it is clear that the DLA has deliberately understated his age to defraud the Respondent in order to accept the proposal and thereby misled the Respondent in taking proper underwriting decision.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the present case there is concrete evidence, viz., School Certificate to show that the DLA was aged more than what was stated by him at the time of taking policy. Had the same been brought to the knowledge of the Respondent, the underwriting decision would have been different.

In view of the above, the decision taken by the Respondent in repudiating the death claim under Policy No. 373023748 is just and fair hence does not require any interference. The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No. SBI-893-21/06-07/MUM
Smt. Sunanda Kateliha
Vs
SBI Life Insurance Co. Ltd.

Award dated 26.07.2006

Smt. Sunanda Kateliha, Complainant is the wife of Late Shri L.P. Kataliha, DLA. DLA was covered under a Group Insurance Policy numbered 82001065603 on 26.12.2004 with the Respondent. The DLA died on 28.01.05 due to heart attack. When the complainant preferred death claim with the Respondent, the same was repudiated on

the grounds that the death of DLA took place within 45 days from the DOC of Policy. The claimant preferred a complaint to this Office.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows:

It is observed from records that the Policy conditions under Schedule I of the Policy summarizes that where the death of a Member of the policy takes place other than due to accident within a short time of the commencement of policy, say within 45 days of commencement of insurance coverage, no benefits are payable under the policy.

It is further observed from the Death Certificate issued by Dr. Shakti S. Pattanayak of Escorts Heart Institute & Research Centre, New Delhi dated 28.01.05 that the reason of DLA's death was due to Acute Coronary Syndrome & Cardiogenic shock with the associated symptom of Hypertension, which may be defined as a natural cause in this context.

In the instant case DLA died within 34 days of commencement of policy due to natural cause. Hence the complainant's claim is not tenable as per Policy conditions of the Respondent.

In view of the above, the decision taken by the Respondent is just and fair hence does not require any interference.

Bhopal Ombudsman Centre
Case No. LI-903-21/07-07/STN
Shri Madhav Prasad Wadhvani
Vs
Life Insurance Corporation of India

Award dated 31.08.2006

Shri Madhav Prasad Wadhvani, resident of Satna is the husband of Late Smt. Gunwanti Wadhvani, Deceased Life Assured (in short DLA). DLA had a life insurance policy numbered 376033096 with L.I.C. of India, DO: Satna, BO: 1, Satna. The DLA died on 15.07.2005. The complainant has complained that he preferred death claim with the Respondent, but the same was repudiated on the grounds of suppression of material facts regarding health by DLA at the time of taking policy. The Complainant further appealed the matter to the Respondent's Zonal Claims Review Committee while the Respondent's repudiation action was upheld. Aggrieved by the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

Observations of Ombudsman : I have gone through the materials on records and submissions made during hearing and summarize my observations as follows:

There is no dispute that the Policy Numbered 376033096 was issued to DLA by the Respondent and DLA died on 15.07.2005.

During hearing, the Complainant has contended that the DLA was in good health at the time of taking the policy; medical examination was also carried out by the authorized medical examiner of insurance company in which nothing was found adverse in the medical examination report. The DLA died on 15-07-2005 due to carcinoma left lung at Jaslok Hospital Mumbai during operation. The Complainant further informed that he has submitted all required claim forms with the Respondent to settle the death claim, but the same was repudiated on the grounds of suppression of material facts regarding health by DLA at the time of taking policy. The Complainant stated that he has

appealed the matter to the Respondent's Zonal Claims Review Committee while the Respondent's repudiation action was upheld.

During hearing the Respondent informed that the DLA suffered from Diabetes since 3 years but the same was suppressed at the time of taking policy. Accordingly, in case of Diabetes, the proposal under the policy in question would have been decided on the basis of Special report. In the instant case, the disease was suppressed hence the claim was repudiated.

It is observed that the Complainant is an agent of L.I.C. of India since about 31 years and is a Chairman Club Member, further his son is also an L.I.C. agent and Chairman Club Member. It is also observed that he had not taken any mediclaim insurance policy either on his own life or on the life of his wife. If he had the knowledge of illness, he would have insured for mediclaim policy and also for high sum assured insurance.

It is observed from the Death Summary report of Jaslok Hospital & Research Centre Mumbai dated 18-07-2005 by Dr.R.K.Anand and Dr.R.K.Deshpande, where the DLA was admitted during her last illness that the DLA was admitted with complaint of cough since 1 ½ year, Diagnosed to have left lung carcinoma and was known diabetic since 2 years. The cause of death is cardiogenic shock post pneumonectomy with cardiopulmonary bypass in a patient operated for advanced cacinoid of left bronchus.

It is also observed from the death certificate that the death has taken place due to cancer and there is no mention regarding any relation between cancer and diabetic. Hence it is clear that there is no nexus found between the cause of death of DLA and the diabetes.

It is also observed from the records that Medical Examination was conducted by panel doctor of Respondent viz., Dr. Madhu Gupta on 26th February, 2003 the report of which shows that the DLA was absolutely in good health condition also found to be normal by the Respondent's Medical Examiner.

The Section 45 of Insurance Act 1938 is applicable in the case, as the death of DLA has taken place after 2 years from the commencement of the policy. The burden of proof is on the insurer to establish by documentary evidence, the following three conditions.

- (a) The suppression is on material matter or facts suppressed were material to disclose.
- (b) The suppression is fraudulently made by the policy holder; and
- (c) The policyholder knew at the time of disclosure of the fact that it was false or that he suppressed fact, which it was material to disclose.

Further, there is no concrete evidence from Respondent regarding any treatment particulars to show that the DLA was a patient of Diabetes prior to date of Commencement of Policy. The death has taken place after 2 years of taking the policy and claim form 'B' also shows that the she was suffering from diabetis since 2 years prior to death.

The Respondent could not produce any concrete evidence on records to show that DLA was suffering from diabetes prior to taking the policy. It is observed that the Respondent could not submit any documentary proof to establish any relation between diabetes and cause of death i.e. cancer (advanced carcinoma of left lung). As such the Respondent has failed to satisfy the condition of the section 45 of insurance act 1938.

In the fact and circumstances stated above, it is held that the Respondent is liable to admit the death claim for full sum assured under Policy 376033096 as per rules hence

the decision of Respondent to repudiate the death claim under the above policies is not just and fair.

Therefore, the Respondent is directed to settle death claim in full as per rules under the policy stated above within 15 days from the receipt of consent from the Complainant, failing which the Respondent shall be liable to pay further interest @ 9% p.a. from the date of this Order till the date of actual payment.

Bhubaneshwar Ombudsman Centre
Case No. O.I.O/BBSR/21-001-155
Shri Siba Prasad Behera
Vs
Life Insurance Corporation of India

Award dated 13.4.2006

Happened that the deceased life assured Mrs. Jyotshna Behera had obtained an Endowment Policy under Table & Term 14-15 bearing No. 584773186 from Cuttack Branch I of L.I.C. of India, Cuttack Division on 28.12.2002 for an assured sum of Rs. 75,000/- under Qly mode of payment nominating complainant as beneficiary in event of his death. As ill luck would have it, the assured died on 16.5.2003 due to Corrosive Stricture Oesophagus Stomach and Septicaemia. The complainant preferred death claim with the insurer. The insurer repudiated the claim on the ground interalia that the assured has committed suicide by ingesting acid during operative period of the suicide clause. Being aggrieved the complainant moved this forum for redressal.

Complained that the assured was suffering from gastroenteritis and was under medication. Medicines & Sulphuric acid bottles were kept at the same place. Mistaking the acid for medicines, she ingested a little quantity of it . She was hospitalised in SCB medical College and Hospital on 17.3.2003 and died there on 16.5.2003. Hence this is not a case of suicide.

Countered by LIC that the assured committed suicide during operative period of suicide clause.

She was also a house wife and had obtained the policy by misrepresenting herself as a self employed woman.

Observed that sulphuric acid is considered a dreaded liquid. It is a chemical substance and used in batteries and manufacture of many products such as fertilizer, explosive, detergents and chemicals. It has no household utility. Ordinarily nobody brings acid home. If at all acid is brought home on extraordinary circumstances, it is always kept segregated from household articles. Medicines and acid are never kept at the same place. Inference of suicide is usually drawn in the case of ingesting acid. Besides the above, the assured has stated in the proposal form that she was a self employed woman whereas in claim form the complainant has stated herself to be a housewife. The complainant was not having any LIC policy. The policy was therefore obtained by misrepresentation.

Held that the repudiation action by insurer cannot be faulted on any score.

Bhubaneshwar Ombudsman Centre
Case No.OIO/BBSR/21-157
Smt. Sunita Mohanty

Vs
Life Insurance Corporation of India

Award dated 17.5.2006

Happened that the deceased life assured Siba Kumar Mohanty, husband of Smt. Sunita Mohanty had obtained Policy No. 582357501 from L.I.C. of India . He died on 6.12.2003 after reviving the policy on 14.10.2003. The claim was repudiated by the insurer on the ground of suppression of material facts. Thus aggrieved the complainant moved this forum.

Complained that the deceased had not suppressed any thing material to the risk knowingly. The personal statement of good health was in English and the agent filled up the form while the assured signed the form in Oriya.

Countered by LIC that the assured was suffering from Ascites and Budd-Chiari Syndrome prior to and at the time of revival which was not disclosed in personal statement of good health.

Held that a doubt remains in this case whether the assured had given the declaration being aware of the contents of personal statement regarding good health. Hence the insurer is directed to pay the paid-up value with an Exgratia payment of Rs. 7,000/- to the complainant.

Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/21-159
Smt. Renu Barik
Vs
Life Insurance Corporation of India

Award dated 18.5.2006

Happened that the deceased life assured Trinath Barik, husband of the complainant Smt. Renu Barik had a policy bearing No. 571205264. He died due to Non Insulin Dependant Diabetic Mellitus and UTI with septicemia. The insurer repudiated the claim on the ground that the life assured took the proposal with under statement of age and suppression of pre-existing disease of NIDDM, NRI status. Being aggrieved the complainant moved this forum.

Complained that the repudiation action by the insurer is not proper as the life assured was in good health prior to 30.8.2003 and the proposal form was filled up by the agent and as such life assured was not responsible for any omission or commission.

Countered by LIC that the life assured understated his age and suppressed the past history of NIDDM for two years and also his NRI status with clinching evidence.

Observed that the life assured was admitted to the MKCG Medical College on 6.1.2003 for treatment of NDDM and UTI with septicemia.

Held that the repudiation action of the insurer is right and the complaint is dismissed with nil award.

Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/21-158
Smt. Pratima Mohanty
Vs
Life Insurance Corporation of India

Award dated 18.5.2006

Happened that the deceased life assured Premananda Mohanty, husband of complainant Smt. Pratima Mohanty had the following policies under salary saving scheme.

Pol. No.	DOC	S.A.	Table-Term	Premium	Position
581449690	28.9.96	50000	14-15	paid up to 7/02 with gaps from 11/01 to 2/02	
581342353	28.3.94	53000	88-18	- do -	
580153281	28.3.90	50000	14-25	- do -	
76332589	28.3.85	15000	14-25	- do -	

The assured was relieved from Barbil College on 15.7.2002 but did not join his new place of posting at Padmapur. Consequently premium was not deducted till his death on 26.3.2003. The claim was repudiated by LIC on the ground that the policies were in lapsed condition. Being aggrieved the complainant moved this forum.

Complained that the policies were under salary saving scheme and hence the employer is responsible for the deduction of premium.

Countered by LIC that the assured had given an undertaking in the letter of authorization that in the event of non deduction of premium from salary for the reason beyond the control of the employer, it is responsibility of the assured to pay the premiums directly. In the particular case under consideration the assured did not join his new place of posting. So salary was not drawn and it was well within the knowledge of the assured.

Held that the insurer was right in repudiation the claim.

Bhubaneswar Ombudsman Centre**Case No.OIO/BBSR/21-001-0160****Shri Sadanand Bag****Vs****Life Insurance Corporation of India****Award dated 19.5.2006**

Happened that the deceased life assured, Mrs Dhanamati Bag, wife of the complainant, had obtained policy nos. 591395681 and 591403203 from Bargarh Branch of L.I.C. of India, Sambalpur Division. The complainant was nominee under both the policies. Unfortunately the life assured died on 12.10.2003 due to hemorrhagic shock while undergoing treatment at Sri Sathya Sai Institute of Higher Medical Science, Prasantigram. The complainant lodged the claim with the insurer and the same was repudiated due to suppression of material facts. Being aggrieved the complainant moved this forum for redressal. Complained that the repudiation action taken by the insurer is not proper as the deceased had not suppressed anything material to the risk. Countered by LIC that according to BHT of SSIHMS, Prasantigram the deceased was suffering from heart problem for many years and tiredness with giddiness for last 1-2 years.

Observed in course of hearing that the complainant has already filed a case before the Dist. Consumer Forum, Bargarh in respect of this claim. The complainant produced a copy of the order of Consumer Forum allowing the claim.

Held that entertaining a complaint for which any proceeding before any court or consumer forum or arbitrary is pending or were so earlier is expressly barred under clause 'C' of Sub Rule 3 of Rule 13 of RPG Rules,1998. The complaint is therefore rejected as non-entertainable.

Bhubaneshwar Ombudsman Centre
Case No.OIO/BBSR/21-001-150
Smt. Sarada Patra
Vs
Life Insurance Corporation of India

Award dated 2.6.2006

Happened that the deceased life assured Kumudanath Patra, had obtained a Jeevan Surabhi Policy under Table & Term 108-25 from Balasore Branch of L.I.C. of India on 14.09.2002 bearing policy no. 584757105 for an assured sum of Rs. 500000/- under yearly mode of payment nominating the Complainant as beneficiary(nominee) in the event of his death. Unfortunately the assured died on 22.3.2003. The nominee lodged the claim with the Insurer, but her claim was repudiated on the ground interalia that the assured committed suicide by ingesting Organo Phosphorous poison during operational period of suicide clause. Being aggrieved the Complainant moved this forum for redressal.

Complained that the assured plucked and consumed a few cucumbers from cucumber creeper grown at the back yard, being unaware of the fact that creeper was sprayed with pesticide, as a result of which he died due to Organo Phosphorous poisoning.

Countered by LIC that according to FIR & Police Inquest Report the assured committed suicide by consuming pesticide and no cucumber intake was found in the stomach during autopsy but the police submitted Final Report stating the case as accidental poisoning.

Observed that causality memo submitted to OIC Soro by Dr.P.K.Rath of Soro CHC reveals it to be a case of suspected poisoning. In column No. 10 of Inquest Report, the investigating officer has stated that death occurred due to suicidal poisoning. There was contemporaneous newspaper report published in the daily " Sambad" dated 23.3.2003 that the assured a student of Rourkela Homeopathic College and the only son of Nanda Kishore Patra a known businessman of Soro committed suicide by ingesting poison. No doubt, the Police have submitted Final Report stating the assured died due to accidental poisoning, but the contemporaneous documents assume greater importance. Judicial notice can be taken of the fact that pesticide is sprayed on plants and creepers but not on fruits. It does not stand to reason that taking a few cucumbers sprayed with pesticide will cause death on the same day in spite of hospitalization and medical care.

Held that in all probability, it appears to be a case of suicide. The repudiation therefore can not be faulted on any score.

Bhubaneshwar Ombudsman Centre
Case No.OIO/BBSR/24-001-0313
Shri Pratap Chandra Mohanta
Vs
Life Insurance Corporation of India

Award dated 19.6.2006

Happened that Sri Pratap Chandra Mohanta , the complainant had a policy bearing No. 581219527 under salary saving scheme. The policy matured but the claim was not settled by L.I.C. of India. Being aggrieved the complainant moved this forum for redressal.

Complained that the maturity claim under the above policy was not settled by L.I.C. of India.

Countered by LIC that the premium for the period 9/1999 to 2/2001 were not received under the policy.

Observed during the hearing that the complainant admitted that the salary for the said period was not drawn and hence the premium could not be deducted from salary.

Held that the insurer to pay the claim sans the unpaid premiums.

Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/21-001-0176
Smt. Sarada Patnaik
Vs
Life Insurance Corporation of India

Award dated 26.6.2006

Happened that the deceased life assured Late B.K.Patnaik, husband of the complainant Smt. Sarada Patnaik had two policies bearing Nos. 582643946 & 582696920. While settling the death claim LIC had deducted three gap premiums in each of the policies. The complainant says that the premium were duly deducted from salary and hence the complaint.

Complained that the above gap premiums were deducted from salary as per the deduction certificate of the employer.

Countered by LIC that the amount recovered from claims will be refunded to the claimant.

Held that the insurer has to refund back the deducted premium amounting to Rs. 705/- with penal interest @ 9% per annum from 25.02.2005 till payment..

Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/24-001-0339
Smt. Tirshi Munda
Vs
Life Insurance Corporation of India

Award dated 26.6.2006

Happened that deceased life assured Sukra Munda had obtained three Bima Kiran policies bearing pol.nos. 581449257, 581449332 & 581501707 from Barbil Branch of L.I.C. of India under Salary Saving Scheme mode of payment, while he was working as an employee under Khondbond Iron Mines. His mother, the Complainant was named as nominee in all three policies. Unfortunately, the assured died on 9.1.99 in a road accident. The Complainant as nominee lodged the claim. As the Insurer sat on the matter, she moved this forum for redressal.

Complained that inspite of her submitting death certificate, policy bonds, copies of police reports etc. with the Insurer, the claim remains unsettled.

Countered by LIC that delay in settlement of claims is caused due to non submission of claim form and two policies viz: 581501707 & 581449257 have lapsed due to non payment of premiums.

Observed that premiums were paid under SSS mode of payment. So far as gaps in the rest two policies are concerned representative of the Insurer conceded that no enquiry was made as to whether non deduction was beyond the control of employer. However he wanted time for verification of the same. The Apex Court in the case of DESU vrs Basanti Devi and another(1999) NCJ(SC) were pleased to hold that under SSS in case of death of the insured, his/her nominee cannot be left high and dry in the legal rigmarole when premiums are not remitted due to the fault of the employer who under took to act as the agent of the Insurer.

Held that the Complainant being a gullible tribal widow, deserves mercy and kindness. The Insurer is directed to pay the death claim under Policy No. 581449332 to the Complainant and settle the death claims under remaining two policies in the light of the decision of the Apex Court.

Bhubaneshwar Ombudsman Centre
Case No.OIO/BBSR/24-001-0269
Smt. Sarojini Mallik
Vs
Life Insurance Corporation of India

Award dated 10.7.2006

Happened that the deceased life assured Khetrabasi Mallik had obtained Policy Nos. 580168812, 581199588 & 581383777 from Puri Branch of L.I.C. of India, Cuttack Division on 28.3.89, 21.1.95, & 28.3.98 respectively nominating his wife Susama Mallik as beneficiary (nominee) in the event of his death. Unfortunately the assured died on 13.8.2004. The Complainant produced a legal heir certificate issued by Tahasildar, Delang wherein widow Saraju Mallik (42) son Subash Mallik (24) ,son Ramesh Maliik (21) married daughter Smt. Kuni Mallik (20) daughter Runi Mallik (13) son Asish Mallik (7) and Naresh Maliik (3) are stated to be his legal heirs. As name of the Complainant differed both on policy document and legal heir certificate, the Insurer insisted on furnishing legal evidence of title. Being aggrieved the Complainant moved this Forum for redressal.

Complained that her name is Sarojini Mallik, but she is known by her nick name Susama. She is also known as Saraju for which she has been described as Saraju in voter list and in the records of the employer of the assured. She has also filed an affidavit stating that she is known in aforesaid names.

Countered by LIC that in four other LIC policies vide Policy No. 581193200, 58538048, 58023895 & 580171157 the same assured had nominated his wife stating her name as Sarojini Mallik and they have paid the claims to the present Complainant. Hence they have called for legal evidence of title.

Observed that in the legal heir certificate, voter list and panchayat documents the name is described as Saraju. The local Sarpanch in his letter to the Insurer has informed that Complainant is the only wife of the assured, known in three names viz: Susama, Sarojini & Saraju. The sarapanch has further informed that the assured had no other wife than the Complainant. Thus there remains no room for doubt that Complainant is known as Sarojini alias Susama alias Saraju.

Held that all the seven names mentioned in the legal heir certificate are class I heirs so far as his self acquired properties are concerned. The Insurer is therefore directed to pay death claims under three aforesaid policies jointly in favour of the Complainant and six other heirs of the assured on execution of joint discharge in presence of a gazetted officer preferably of the employer of the assured. Care should be taken to safeguard interest of the minors by keeping the share of each of them in separate fix deposits in their names in any of the scheduled banks.

Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/24-001-0262
Smt. Saraswati Mohanty
Vs
Life Insurance Corporation of India

Award dated 11.7.2006

Happened that the deceased life assured Bijay Kumar Mohanty had obtained a Jeevan Mitra policy from Cuttack Dist. Branch of L.I.C. of India vide Pol. No. 580216245 for an assured sum of Rs.10000/-. The policy matured on 24.9.2003. On the request of the assured a sum of Rs. 3835/- was deducted from the maturity claim proceeds vide BOC No. 9212 for opening up another policy in his favour. As ill luck would have it, the assured died on 3.10.03 in a road accident before conclusion of contract for the new policy. The Complainant lodged death claim with the insurer. As the Insurer sat on the matter she moved this forum for redressal.

Complained that her husband made over the proposal to the agent 2-3 days after the initial deposit but there was no response from the Insurer.

Countered by LIC that no proposal form was received for which the new policy could not be opened and as such there was no concluded contract. Complainant is entitled to refund of the deducted amount only.

Observed that there is no documentary proof of submission of proposal form. Therefore this is a case of unconcluded contract. The claim settlement procedure of the Insurer provides settlement of claim on ex-gratia basis in unconcluded contracts subject to fulfillment of certain conditions. The present case does not squarely fall under the ambit of the said conditions vide clause 7 chapter 3 at page 80 of manual for Policy Servicing Deptt. on claims. Taking in to consideration that the proposer died in a road accident few days after making initial deposit and the Insurer retained the money till filing of the complaint, it is a fit case to make ex-gratia payment under Rule 18 of the Rules.

Held that an ex-gratia award of Rs.7000/- is made in favour of the Complainant.

Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/24-001-0156
Smt. Santilata Patra
Vs
Life Insurance Corporation of India

Award dated 3.8.2006

Happened that deceased life assured Surendra Nath Patra had obtained a Money Back Policy under Table & Term 75-20 on 28.3.2001 from Bhubaneswar Branch-I of the L.I.C. of India vide policy no.584082294 for an assured sum of 50000/- under Qly. Mode of payment nominating Complainant as beneficiary (nominee) in the event of his

death. The policy lapsed due to non-payment of premium and on 4.4.2002 the assured got it revived on payment of arrear premiums due 6/01 to 3/02 and submission of personal statement regarding health. Unfortunately the assured died on 1.6.2002 at his residence allegedly due to heart attack. The complainant lodged the claim. But the Insurer repudiated the claim on 31.1.2004 on the ground of nondisclosure of material facts relating to health of the assured at the time of revival. Being aggrieved, the Complainant moved this forum for redressal.

Complained that her husband was suffering from Cancer. But had the agent reminded him about payment of premiums in time the policy would not have lapsed.

Countered by LIC that the assured was suffering from Carcinoma Rectum and had undergone treatment prior to revival. He had therefore deliberately suppressed this material fact in PSRH by stating that he was enjoying good health.

Observed that the life assured was suffering from Carcinoma Rectum and undergoing treatment from 9.9.2001 to 15.3.2002 i.e. about seven months prior to date of revival. The prescriptions of the treating Physicians reports of duodenscopy, colonoscopy and biochemical/pathological investigation reports, ultrasound study reports of abdomen, pelvis, medical papers showing admission of the assured in MSW-3 bed no.387 of SCB medical College and Hospital & OPD ticket of Acharya Harihar Regional Cancer Center, Cuttack evidencing that the assured was diagnosed as a case of Cancer, confirm that the assured was not in sound health prior to revival. There remains no room for doubt that the assured to his knowledge was suffering from Cancer by the time of revival and had suppressed this material fact in the PSRH.

Held that repudiation of the Insurer cannot be faulted on any score.

Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/21-001-0161
Shri Narendra Kumar Sahoo
Vs
Life Insurance Corporation of India

Award dated 21.8.2006

Happened that deceased life assured Sabita Sahu had obtained a Jeevan Sneha Plan under Table & Term 128-20 on 28.12.2001 from Dhenkanal Branch of L.I.C. of India vide Policy No. 584445873 for an assured sum of Rs. 40000/- under Yearly mode of payment nominating the Complainant as beneficiary (nominee) in the event of her death. She was also the proposer in another policy on the life of her minor son aged about one year vide Policy No. 584446021 under Table & Term 113-25(17) for an assured sum of Rs.50000/- where under PWB & TRB were covered. Unfortunately the assured committed suicide on 20.1.2004. The Complainant lodged claim to the insurer. The insurer repudiated both claims on the ground inter alia that the assured had not disclosed material facts relating to pre-existing disease at the time of taking the policy. Being aggrieved the complainant moved this forum for redressal.

Complained that the proposal papers were filled up by the agent of the insurer without informing the content thereof either to the assured or to him.

Countered by LIC that prior to the date of proposal, the complainant was suffering from Depressive Neurosis and this material fact was suppressed in the proposal form of both policies for which the claim was repudiated.

Observed that the assured committed suicide one year after commencement of the policy and as such the case does not fall within the ambit of the suicide clause. The Insurer has produced medical prescription dtd. 2.8.98, 12.5.98, 2.11.2000, 24.12.2000 and 1.2.2001 of different doctors who were treating the assured. The medical referee of the insurer on perusal of the medical papers has opined that the assured was suffering from Depressive Neurosis (where suicide is common) prior to November'2000. The complainant has not refuted the allegation that the assured received medical treatment prior to the date of proposal, but non mention of pre-existing disease in the proposal form amounts to suppression of material facts.

Held that facts and circumstances of the case do not warrant interference by this forum in the matter of repudiation. Considering the fact that a woman assured has committed suicide and a minor is deprived of PWB & TRB, an ex-gratia award of Rs.20000/- is made in favour of the complainant.

**Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/21-005-0216**

Smt. Rupa Behera

Vs

HDFC Standard Life Insurance Co. Ltd.

Award dated 11.9.2006

Happened that the deceased life assured Khirod Behera had obtained two Children's Double Benefit Plans on 2.11.2004 under Policy Nos.10110206 & 10110214 each for assured sum of Rs.233083/-from the HDFC Standard Life Insurance Co. Ltd. As the beneficiaries were minors, the assured nominated the Complainant as appointee in both the policies. Unfortunately the assured died of hepatitis on 2.12.2004. The Complainant lodged death claim, which was repudiated on the ground interalia that the Assured while mootting the proposals had suppressed material facts relating to pre-existing disease. Being aggrieved the Complainant moved this forum for redressal.

Complained that the assured had no pre-existing disease.

Countered by the Insurer that the Assured had taken treatment several times during the period from July'2004 to November'2004 at P.T.C. Hospital, Angul, Which material fact was suppressed in the proposal form and the doctors /hospital certificate submitted by the Complainant is a fake one.

Observed that Dr. Pradhan, Surgery Specialist, PTC Hospital, Angul had treated the deceased during his terminal illness. It is stated in the Doctor's/ Hospital Certificate allegedly issued by Dr. S.Pradhan that the Assured had suffered from hepatitis for 13 days prior to his death on 2.12.2004. But the Insurer produced letter dtd.15.12.2005 of Dr.Pradhan, wherein he has categorically stated that no such certificate was issued by him. The same doctor in his letter dated 23.1.2006 has informed the Insurer that the Assured had undergone treatment as an out patient in PTC Hospital for 17 times in between 20.7.2004 to 19.11.2004 and he was the consulting surgeon. It is thus evident that the Assured had pre-existing disease at the time of mootting the proposal. This material fact was suppressed in the proposal.

Held that repudiation cannot be faulted on any score.

**Bhubaneswar Ombudsman Centre
Case No.OIO/BBSR/21-004-0208**

Shri Suresh Hemani

Vs
ICICI Prudential Life Insurance Co. Ltd.

Award dated 12.9.2006

Happened that the deceased life assured Malati Suresh Hemani had obtained a "Life Time Unit Linked Plan" from ICICI Prudential Life Insurance Co. Ltd. for an assured sum of Rs.435000/- commencing from 23.2.2005 under Hly mode of payment of premium vide Policy No. 01369670 nominating the Complainant as beneficiary (nominee) in the event of her death. As ill luck would have it, the assured died out of Septicaemia on 16.5.2005 while undergoing treatment in Jehangir Hospital, Pune. The complainant lodged death claim on 30.6.2005. The insurer repudiated the claim on the ground interalia that the assured had suppressed material fact of pre existing disease in the proposal and did not disclose change of health after submission of proposal and before acceptance of risk. Being aggrieved the complainant moved this forum for redressal.

Complained that the assured had signed the proposal form without knowing its content on 31.1.2005, which was subsequently filled up by the agent of the Insurer and she was medically examined by panel doctor of the Insurer 4-5 days thereafter who found her in good health.

Countered by the Insurer that the assured was a known asthmatic and was admitted to CWS Hospital, Jagda from 15.2.2005 to 19.2.2005 for treatment of bronchial asthma, bronchitis and COPD, but did not inform the Insurer this change in her health as undertaken by her in the declaration.

Observed that "Certificate from usual/ Family doctor" issued by Dr. T.K.Bose, CWS Hospital, Jagda, Rourkela reveals that on 22.8.2003 the assured was diagnosed as an asthmatic. The admission record of CWS Hospital, Jagda also reveals that the assured was admitted as indoor patient for treatment of acute exacerbation of bronchial asthma, bronchitis and COPD from 15.2.2005 to 19 2 2005. The medical attendance/ Hospital certificate dtd. 28.8.2005 of Jehangir Hospital, Pune reveals that the assured was a known asthmatic for many years. It thus appears that the assured was suffering from asthma prior to signing the proposal and was also hospitalised for treatment of asthmatic bronchitis after signing the proposal and before acceptance of risk which material facts were not disclosed to the Insurer.

Held that repudiation cannot be faulted on any score.

Bhubaneshwar Ombudsman Centre
Case No.OIO/BBSR/21-001-0174
Shri G.Santosh Kumar
Vs
Life Insurance Corporation of India

Award dated 22.9.2006

Happened that the deceased life assured G.Saranga had obtained an Endowment Assurance with Profit Plan under Table & Term 14-15 for an assured sum of Rs. 34000/- commencing from 8.10.2003 from Balugaon Branch of L.I.C. of India vide Policy No. 585148981 nominating the Complainant as beneficiary (nominee) in the event of his death. Unfortunately the assured died on 8.5.04 during currency of the policy. The Complainant lodged death claim with the Insurer. The Insurer repudiated the claim on the ground interalia that the assured had obtained the policy in question

by understating his age. Being aggrieved the Complainant moved this forum for redressal.

Complained that the assured was eligible for the policy in question as he had not crossed 60 years of age by the time of submitting the proposal.

Countered by LIC that service record of assured shows his date of birth as 6.7.41 and as such he had crossed the eligibility age of 60 years by the date of submission of proposal.

Observed that the underwriting of the Insurer provides maximum age of 60 years for obtaining the policy under Table & Term 14-15. The proposal form reveals that the assured had produced a S.L.C. stating his date of birth as 6.3.44. The voter list produced by the Complainant points to 1.1.45 as the date of birth of the Assured. The S.L.C. is not on record. Admittedly the assured was working as a Cabin Master in SER, Khurda . The Insurer has produced a certificate issued by the employer wherein the date of birth of the assured is stated as 6.7.41. The Complainant has not disputed the date of birth of the Assured as recorded in his service book. The date of birth stated in the alleged SLC and the voter list are inconsistent. Therefore reliance is to be placed on the date of birth as stated in the Service Certificate issued by a Public functionary. The date of birth stated in Service Certificate being 6.7.41 the assured had crossed the eligible age limit for obtaining the policy in question by the time of submission of proposal.

Held that the repudiation cannot be faulted on any score.

Bhubaneshwar Ombudsman Centre
Case No.OIO/BBSR/21-001-0163
Smt. Mungi Kumbhar
Vs
Life Insurance Corporation of India

Award dated 26.9.2006

Happened that the deceased life assured Suresh Kumbhar had obtained an Endowment Assurance With Profit Plan under Table & Term 14-20 for an assured sum of Rs.120000/- commencing from 28.4.2003 from Rourkela Branch of L.I.C. of India nominating his wife the Complainant as beneficiary (nominee) in the event of his death. Unfortunately the assured died on 31.7.2003 out of Non-hodgkins Lymphoma while undergoing treatment at the I.G.H., Rourkela. The Complainant as nominee lodged death claim with the Insurer. The Insurer repudiated death claim on the ground inter alia that the assured had suppressed material facts regarding pre-existing disease while mooting the proposal. Being aggrieved the Complainant moved this forum for redressal.

Complained that the assured was not suffering from any pre-existing disease at the time of the proposal.

Countered by LIC that the assured was suffering from Non-hodgkins Lymphoma about 2 months prior to submission of proposal.

Observed that the assured while answering queries under Personal history has stated in the proposal that he was not suffering from Cancer or any other diseases mentioned therein. The Insurer has produced certificate of Hospital treatment of the Assured

issued by Dr. Indira Mishra that the assured was suffering from Non-hodgkins Lymphoma for about 4 months from the date of admission i.e 8.7.2003 as such the assured had pre-existing disease for about one month 20 days at the time of proposal. The assured had suppressed this material fact in the proposal.

Held that the repudiation cannot be faulted on any score. -

Chandigarh Ombudsman Centre
Case No. LIC/387/Karnal/Narnaul/24/06
Smt. Urmila Devi
Vs
Life Insurance Corporation of India

Award dated 21.04.2006

Facts : Late Mahendar Yadav, husband of complainant, had taken a money back policy bearing no. 172273792 for sum assured of Rs. 50,000/- from Branch Office, Narnaul with DOC 28.07.2004. He opted for half-yearly mode of premium payment of Rs. 1627/- . His wife, the complainant, happened to be the nominee. The payment of premium was duly made and the next premium instalment was due in January 2005. The life assured died on 05.12.2004, and Death Certificate issued by the office of Additional Registrar (Death & Births), District Narnaul was submitted alongwith claim papers. However, the claim was not settled.

Findings : Insurer informed vide letter dated 30.03.2006 that the policy was issued on 28.07.2000 for sum assured of Rs. 50,000/-. The policy was revived on 30.11.04 after premiums due from 01 /2004 to 07/2004 were deposited. The date of death as reported by the claimant was 05.12.2004, whereas actual date of death as revealed in the investigation report was 25.11.2004. The Investigating Officer produced extracts from the register maintained by Anganwadi worker in which the death was recorded to have taken place on 25.11.04. It was further contended that the claimant procured fake death certificate with the intention to perpetrate a fraud on the Corporation. The policy was got revived on 30.11.2004 after the death of life assured on the basis of DGH. As the date of revival is subsequent to date of death, the revival dated 30.11.04 was declared null and void and only paid up value of Rs. 12250/- and vested bonus of Rs. 8750/- which accrued on the date the policy lapsed were payable as per policy conditions. Besides, the premium paid on 30.11.2004 after death of life assured was also refundable and the same was being refunded. Insurer sent an extract from the Register of Anganwadi worker vide letter dated 15.04.2006 certifying that the date of death of life assured as 25.11.04.

The complainant had failed to return P-II and P-III forms. On the other hand, the insurer produced sufficient proof regarding attempt on the part of the complainant to defraud the Corporation by showing the date of death subsequent to the date of revival. Prima facie, the policy was revived after the death of life assured and a fake death certificate was secured from the office of Additional Registrar (Deaths & Births), District Narnaul.

Decision : Held that since the insurer proved that the policy was revived after the death of DLA with an intention to defraud the insurer, therefore, the decision of the insurer to repudiate the claim cannot be interfered with. Further directed that a copy of the order be sent to Director, Health Services, Haryana who may like to investigate the circumstances under which fake certificate was issued.

Chandigarh Ombudsman Centre
Case No.. LIC/129/Karnal/Narnaul/21/06
Surinder Kumar
Vs
Life Insurance Corporation of India

Award dated 10.05.2006

Facts : Late Satdev Yadav father of Surinder Kumar, the complainant, had taken a policy bearing no. 173214725 with DOC 13.07.02 for sum assured of Rs. one lac from Branch Office, Narnaul. He died due to heart attack on 26.06.04. The complainant being the nominee, filed claim with the Branch Office, Narnaul and submitted relevant documents on 17.07.2004. He was informed on 16.07.2005 about repudiation of claim on the ground that the DLA concealed material information regarding his health status. The complainant contended that the repudiation was not in order as treatment was not taken from BASE Hospital, New Delhi and, therefore, sought intervention for getting him the claim amount paid.

Findings : Insurer informed vide letter dated 10.08.05 that the claim was repudiated on 23.05.2005. As deceased life assured died within one year and eight months after commencement of the policy, the claim was investigated. It transpired that DLA was a retired ex-serviceman and had been suffering from heart disease. He had taken treatment in BASE Hospital, Delhi Cantt. This was corroborated by the statement of villagers and also attested by Smt. Bhuri Devi, Sarpanch Gram Panchayat, Kanrali District, Rewari. These facts were not disclosed by DLA in the proposal form and false answers were given in relation to questions relating to his health. As deliberate mis-statement was made and material information was withheld at the time of taking insurance cover, in terms of policy contract and declaration made in the proposal form, the claim was repudiated in accordance with policy condition no. 5. It was, therefore, urged that the complaint be filed.

During hearing on 14.09.2005, the complainant stated that his father died suddenly on account of heart attack. He contended that the repudiation of claim was not in order as treatment was not taken from the BASE hospital, Delhi. He stated that his father had been working in his fields till the last day of his death. At the time of discharge from army in the year 1988, he was in medical category A-I and was declared fit for civil employment.

On behalf of the insurer, it was pointed out that the claim was repudiated on the basis of corroborative evidence regarding heart ailment of DLA for the last two years. It was, however, admitted that the investigating officer could not gather any documentary evidence from BASE hospital, Delhi where he was reportedly treated. The complainant stated that he was ready to file an affidavit to the effect that his father had not been treated in the BASE Hospital, Delhi. He further alleged that a sum of Rs. 5000/- was demanded by the Branch Manager for settlement of claim. The Branch Manager had asked him to purchase two insurance policies. On behalf of the insurer, it was asserted that the said amount may have been demanded as premium for new policies which

seems to have been misconstrued by the complainant as demand for illegal gratification.

As there was no conclusive evidence with regard to concealment of material facts regarding status of health of DLA other than the statement of the local residents, the insurer was directed to make enquiry and submit report within four weeks.

Subsequently, the insurer informed that since it was an early claim, it was got investigated as per claim settlement procedure. Investigation report revealed that DLA was suffering from heart disease since 2-3 years before the date of proposal, which was knowingly not disclosed and willfully concealed by him with a view to defraud the Corporation. Besides, the life assured perpetrated a fraud on Corporation by presenting somebody else on his behalf for medical examination and special test of electrocardiogram, which was evident from the report of Hand Writing Expert, Forensic Science Laboratory(FSL), Madhuban. Therefore, repudiation of claim was in order. Subsequently, copy of letter dated 30.03.2006 containing additional ground of repudiation in continuation of earlier letter dated 23.05.2005 sent to complainant was also forwarded to this office.

The complainant, however, reiterated that his father was never treated in BASE hospital, New Delhi. When he was explained about discrepancy in signatures of his father in the proposal form and medical report, he feigned ignorance. The representative of insurer explained that the hand writing expert of FSL, Madhuban, Haryana after scrutiny of signatures on the proposal form and medical report and ECG observed divergence in elements of writings which were fundamental in nature and beyond the range of natural variations and intended disguise. The hand writing expert opined that the proposal form and medical reports were signed by two different persons.

Decision : Held that since the insurer produced documentary evidence to establish impersonation on the part of DLA in order to defraud the insurer, the decision of the insurer repudiating the claim was upheld.

Chandigarh Ombudsman Centre
Case No. LIC/428/Chandigarh/Sangrur/24/06
Amrik Singh Kanda
Vs
Life Insurance Corporation of India

Award dated 22.05.2006

Facts : Amrik Singh Kanda had taken a Jeeven Mitra (Triple Cover) policy, bearing no. 162221899 for sum assured of Rs. 4,00,000/- for his son Late Gurpreet Singh Kanda on 28.04.2002. The life assured reportedly died due to brain haemorrhage on 07.07.02. The payment of death claim was inordinately delayed as he was paid the same on 13.12.2004. He stated that after submission of claim papers till the release of payment, no objection was raised nor any further information was sought from him. He urged that penal interest be paid to him for the period of delay.

Findings : Insurer informed vide letter dated 26.04.2006 that the complainant was appointed nominee under the policy and the risk commenced w.e.f 10.05.2002. Life assured died due to brain hemorrhage on 07.07.2002, after paying first premium only. Since it was an early claim, bona fides were got investigated. As per report of the investigating officer submitted on 10.12.2002, DLA was having problem of low blood pressure, but otherwise he was keeping good health. He went to farm house on 07.07.2002 where he committed suicide due to objections raised over his love affair. Dr. Bikram Sharma of Vyas Hospital Sunam to whom DLA was taken in a serious

condition referred him to Civil Hospital, Sangrur. It was confirmed by the treating doctor that DLA was brought in an unconscious condition and he had no pulse or BP. He died on the way while being taken to the hospital.

As the exact cause of death was not known, the claim was got re-investigated. The investigating officer reported that residents in the village gave different versions regarding the cause of death such as heart attack, snake-bite or electric shock or brain-hemorrhage, but nobody was willing to give anything in writing. Reportedly, they were suspicious of some conspiracy to conceal the cause of death. Re-investigation also did not reveal anything regarding the exact cause of death. On the advice of Zonal Office, bona fides were got investigated afresh since suicide clause was applicable. However, conclusive evidence regarding exact cause of death could not be gathered. The case was, therefore, referred to Zonal Office and the liability was admitted by the competent authority. The claimant was informed accordingly and on receipt of discharge form, a sum of Rs. 12,29,200/- was paid to him. It was urged that the delay in payment was caused because the claim had to be investigated thrice to ascertain the exact cause of death, which took considerable time.

During hearing on 08.05.2006, the complainant stated that his son died on 07.07.2002. The claim was lodged with B.O. Sangrur on 26.07.2002. Since it was not settled for a year, a legal notice was served upon the Corporation. The counsel for the complainant reminded the Corporation twice and thereafter he was advised to withdraw the notice. Finally the death claim was paid on 13.12.2004. He took up the matter with the Corporation for payment of interest for the period of delay, but he did not get any response. The representative of insurer stated that the complainant filed the claim papers in July 2002. Since it was a very early claim, the matter was got investigated. The Inquiry Officer submitted the report on 10.12.2002. Second investigation was warranted as there was mismatch between the statement of claimant and medical certificate issued by the hospital authorities. While complainant had stated that life assured had died of brain-hemorrhage at home, in form no. 3784 it was mentioned that life assured was brought unconscious. He was under coma and shock and was referred to hospital at Sangrur. Besides, the I.O. in his report had raised doubt about the cause of death, as residents in the village indicated that the cause of death was suicide, but nobody was willing to give it in writing. Therefore, second investigation was entrusted to D.P. Arora, Principal, DTC. He submitted the report on 08.04.2003 which was also inconclusive. He recommended that the case should be entrusted to an officer from marketing side for thorough investigation,. Therefore, the matter was entrusted to Ashwani Aggarwal, Manager (PS) on 11.02.2004 for investigation. In his report submitted on 13.09.2004, he concluded that though it was a case of suicide, but conclusive evidence could not be gathered because of influence of the party in the area.

The representative of insurer further informed that as none of the enquiry reports was categorical and conclusive, the case was referred to Zonal Office and the competent authority at the Zonal Office admitted the liability on 29.10.2004 and payment was made on 13.12.2004. He further stated that had PMR been submitted at the time of filing of claim, the claim would have been settled immediately. Since death had taken place in suspicious circumstances, the complainant should have in his own interest got the post mortem conducted. The complainant stated that he kept on enquiring about status of the case, but he was kept in the dark regarding investigations being conducted by the insurer and no response was given for one year. He further stated

that he did not take insurance cover for his son to get the claim. He felt hurt as no response was given for one year.

Decision : Held that in view of various discrepancies and inconclusive findings, reinvestigation was justified and the claim was finally settled by giving the complainant benefit of doubt after 28 months. Nonetheless, if due diligence had been exercised, the decision could have been taken somewhat earlier. It was ordered that the complainant be paid interest @ 8% for a period of nine months.

**Chandigarh Ombudsman Centre
Case No. LIC/389/Chandigarh/Sangrur/24/06
Smt. Mohinder Kaur**

Vs

Life Insurance Corporation of India

Award dated 25.05.2006

Facts : Late Smt. Bhagwan Kaur had taken a policy bearing no. 161828878 on her own life from Branch Office Sangrur for sum assured of Rs.50,000/-. Her adopted son, Chand Singh was the nominee. She died on 10.05.2002. However, the nominee pre-deceased her on 22.08.2000. After the death of the policyholder, the claim was filed by the wife of the nominee, Smt. Mohinder Kaur. However the claim was not settled. Feeling aggrieved she filed a complaint in this office on 10.03.2006. She stated that the change in the nomination could not be effected due to lack of knowledge. Being the only surviving legal heir in the family, she had filed the claim papers with the B.O. The branch officials insisted on submission of succession certificate. She stated that as per procedure, the requirement for succession certificate can be waived by furnishing an indemnity bond with a surety of a person of sound financial position. All these requirements were sent by her on 30.08.05, but the B.O. again insisted upon submission of succession certificate. She reiterated her request for waiving the requirement of succession certificate, as it is a lengthy and cumbersome procedure. She further stated that in case the insurer has any doubt about her being the sole legal heir, an enquiry officer appointed or an advertisement given in newspaper inviting objections from any other interested party.

Findings : Insurer informed that Chand Singh was appointed nominee but as per family history given in the proposal form, DLA was issueless. As per nominee's death certificate, his father's name is Jit Singh and not Nahar Singh, DLA's husband reportedly missing since 28.02.1999. It was stated that title under the policy is open, as the nominee had pre-deceased the LA. The husband of DLA who is the only class-I legal heir is missing. As Chand Singh was not the natural son of DLA, therefore, B.O. asked the claimant to furnish succession certificate which has not been furnished. The claim cannot be settled by waiving legal evidence to the title. Besides, papers for LET waiver were not issued, although the claim papers submitted in the DO were returned to B.O. on 07.09.2005.

During hearing, it was urged on behalf of the complainant that his grandmother who died on 10.05.2002 had taken a policy under which his father, Chand Singh, was the nominee. He pre-deceased the life assured on 22.08.2000. The claim was filed by Smt. Mohinder Kaur, widow of Chand Singh. He further stated that as the husband of DLA, Nahar Singh, had been missing for more than seven years, he should be presumed to be dead. He also furnished affidavits signed by Class-II legal heirs i.e. brother and sister of DLA viz. Mela Singh and Sham Kaur to the effect that they had no objection if

the claim was paid to Mohinder Kaur. He pointed out that LIC authorities had been insisting on succession certificate, which is difficult to get as it is a long drawn out process. Insurer stated that the complainant cannot be paid the claim amount as the nominee had pre-deceased the policyholder and no fresh nomination was made after his death. Therefore the title was open at the time of death of policyholder. Under the law, in such a case nominee's wife has no right to claim. The claim is payable only to class-I or Class-II legal heirs. Since as per contention of the complainant, no legal heir other than Nahar Singh is surviving who is also reportedly missing for more than seven years, the claim can be paid to surviving Class-II legal heirs. She further stated that Class-II legal heirs may file claim papers which can be considered for payment subject to fulfillment of requirements.

It was observed that there was some weight in the argument put forth by the representative of insurer. The nominee's legal heirs have no right to the claim, as nominee pre-deceased the life assured. Therefore, the title is open under the policy, as the life assured did not make any fresh nomination after the death of nominee. While the class-II legal heirs have no objection in the settlement of claim in favour of complainant, but it is not in accordance of law.

Decision : Held that the insurer may dispense with the succession certificate and in lieu, legal heir certificate be accepted for settlement of claim as per rules. Condition of obtaining a court order in presuming, Nahar Singh missing since 28.02.1999, to be dead, be also waived and an indemnity bond be taken as per laid down procedure in the Claims Manual.

Chandigarh Ombudsman Centre
Case No. LIC/30/Karnal /Ambala Cantt./24/07
Madan Pal Bansal
Vs
Life Insurance Corporation of India

Award dated 31.05.2006

Facts : Brief facts of the case were that Madan Pal Bansal took two policies bearing nos. 76054778 (Money Back Plan on the life of his wife, Smt. Krishna Devi) and 76175903 (Jeevan Sathi Plan on the lives of self and wife) for sum assured of Rs. 20,000/- and Rs. 40,000/- with DOC 28.01.1985 and 28.10.1985 respectively. He was charged for having murdered his wife, but was acquitted by the Hon'ble Supreme Court. Being the nominee, he filed the death claim. The claim was paid to him on 30.09.2003. Subsequently, he filed a complaint for payment of accident benefit claim, since policies were taken with DAB. Since the matter was pending in the Court, accident benefit claim was not settled. After his acquittal, he lodged claim for accident benefit for both the policies. Since this was not being settled, he filed a complaint which was disposed of vide this office order dated 16.06.2005 advising him to contact the insurer and complete the formalities and furnish requisite documents to substantiate his claim for accident benefit.

Findings : Insurer informed vide letter dated 24.05.2006 that the claim was time-barred. Besides, as claim for basic sum assured was paid on ex-gratia basis in 2003, the case regarding payment of claim for DAB was referred to Zonal Office for guidance. The complainant stated that he filed the claim for accident benefit as per advice of his cousin. He stated that his wife was not murdered, but she died a natural death. He

stated that she was suffering from epilepsy. The complainant stated that he was acquitted from the charge of murder. It was explained to him that as it has not been established that death was due to murder, DAB was not payable.

Decision : Held that since the death by murder could not be established and the complainant affirmed that his wife died a natural death, the DAB was not payable and the complaint was dismissed.

Chandigarh Ombudsman Centre
Case No. LIC/11/Karnal /Kaithal/24/07
Smt. Birmati Devi
Vs

Life Insurance Corporation of India

Award dated 31.05.2006

Facts : Brief facts of the case are that Late Dharam Singh husband of Birmati Devi had taken a policy bearing no. 171840102 from Branch Office Kaithal for sum assured of Rs. 50,000/-. He died on 04.11.2005. She, being the nominee, filed death claim which was repudiated on 28.02.2006 on the ground of non-disclosure of material information.

Findings : Insurer informed through letter dated 02.05.06 that the policy issued on 28.11.98 lapsed and was revived on the basis of DGH on 27.06.2005 by depositing premiums due from November 2003 to May 2005. The duration of policy since revival to date of death was only four months and seven days. As per report of Investigating Officer, the DLA attempted to commit suicide by consuming poisonous pesticides on 30.04.2005 and he remained hospitalized in Shah Hospital, Kaithal from 30.04.2005 to 30.05.2005. It was further stated that this fact was not disclosed in the DGH statement at the time of revival of policy. It was contended that the revival was declared null and void and claim was rightly repudiated on 28.02.2006.

The complainant stated during hearing that DLA was almost illiterate and he was made to sign on blank DGH without explaining it to him. Had he known the contents, he would have disclosed these facts. He had no intention to defraud the Corporation and mis-state facts. The representative of insurer stated that DGH has to be taken on the face value and once having signed it, the veracity cannot be questioned. Concealment of the fact that life assured remained hospitalized for almost a month was a violation of terms and conditions of policy and non-disclosure of material information. Accordingly, the claim was not payable. However, he stated that the vested bonus amounting to Rs. 15,300/- could be paid.

Decision : Held that as the vested bonus should have been paid simultaneously while repudiating the claim, ordered payment of vested bonus with interest @ 8% for the period of delay.

Chandigarh Ombudsman Centre
Case No.. LIC/332/Karnal/Sonipat/24/06
Daryao Singh
Vs

Life Insurance Corporation of India

Award dated 31.05.2006

Facts : Brief facts of the case were that Daryao Singh had taken a policy bearing no.170865742 for his son for sum assured of Rs. one lakh. His son died in a road

accident on 18.09.2002. Death claim filed by him was settled on 12.11.2002, but accident benefit claim was denied on the ground that he did not have a valid driving licence to drive a tractor. It was urged that in Haryana State separate licence for driving a tractor for agricultural purposes is not required. The licence held by the deceased for driving motor cycle and motor car was valid for driving tractor also.

Findings : Insurer informed through e-mail dated 03.03.2006 that policy was issued on 28.12.1994. The life assured died on 18.09.2002. The claim liability was admitted and paid to the claimant. It was stated that the accident benefit was not payable as per terms and conditions of the policy contract no. 8(iv), which clearly stipulates that the Corporation shall not be liable to pay additional sum assured if life assured commits a breach of law. It was pointed out that DLA met with an accident while driving a tractor, but he had a licence for driving only motor cycle, motor car i.e. light vehicles. Hence the accident benefit claim was rightly rejected by the competent authority.

During the hearing, the complainant stated that accident had taken place on 18.09.2002 after his son's tractor hit a cyclist on the main road leading to Sonapat. He further stated that basic sum assured was paid, but accident benefit claim was not settled. The claim was repudiated on the ground that DLA did not have a valid licence for driving a tractor and the licence held by him for car cannot be treated as licence for tractor also.

The representative of insurer stated that licence issued to DLA was valid for driving motor-cycle and motor-car only. He contended that if specific endorsement for driving a tractor on the licence was made, the claim would have been payable. He stated that legal opinion was also sought from Rajesh Sharma, Advocate who informed vide letter dated 27.05.2006 that specific endorsement for driving tractor on the licence is mandatory and additional fee is charged by the Licencing Authority for this purpose. He further stated that under MV Act, 1988 motor car means any motor vehicle other than omni bus, road-roller and tractor. Therefore, the licence for car is not valid for driving a tractor. He further pointed out that DLA did not have licence to drive LMV, but had licence to drive motor-cycle or motor-car only.

It was further pointed out that clause (d) of sub-section (2) of Section 10 of Motor Vehicle Act, 1988 pertains to LMV which is separate and distinct from clause (j). If a tractor is equated with motor-car and LMV, it could imply that a person holding licence for tractor only which is generally used for agricultural purposes, is also authorized to drive a motor-car and other light motor vehicles which would seem illogical. In this connection, judgement given by the Hon'ble Haryana State Commission in the case of M/s. Star Auto & Engineers Vs The United Insurance Company CPC 1994(I) 328 with similar facts was quoted. He concluded that for driving a tractor specific endorsement on the licence was required.

Decision : Held that it was established beyond doubt by the insurer that a person holding a licence to drive car and motor-cycle requires a separate endorsement for driving a tractor. Therefore, the complaint was dismissed.

Chandigarh Ombudsman Centre
Case No. LIC/69/Karnal/Naraingarh/21/07
Gurbax Kaur
Vs
Life Insurance Corporation of India

Award dated 19.07.2006

Facts : Trilochan Singh had taken a policy bearing no. 172311761 from Branch Office, Naraingarh for sum assured of Rs. 50,000/- with DOC 28.01.2001. He died on 20.11.2005. The complainant, Gurbax Kaur being the nominee, filed the claim with the B.O. which was repudiated on the ground of suppression of material facts. It was stated that she was paid a sum of Rs. 28,000/- only against sum assured of Rs. 50,000/-, while the premiums under the policy were paid for five years. Her husband had gone out of house on 18.11.05 for some work. She was informed around 8.00 p.m. that he was lying near Haryana Poultry Farm, Kakkar Mazra. As she was alone at home, she informed her neighbours and they took him to PGI, Chandigarh where he died on 20.11.2005. It was contended that he did not suffer from any disease, but PGI officials wrongly mentioned in the report that he was ill for the last one and half year. He had never taken any treatment not even as an outdoor patient in any hospital. It was mentioned that her claim was repudiated on account of incorrect report given by P.G.I., Chandigarh. It was further pointed out that at the time of admission DLA was unable to speak. It was not clear who informed the PGI doctor about her husband's alleged illness.

Findings : Sr. Divisional Manager to whom the complaint was forwarded informed through Manager(CRM) vide letter dated 26.05.2006 that the policy was issued on 28.01.01 for sum assured of Rs. 50,000/- and it was revived on 15.10.2005 by depositing two half-yearly premiums due January 2005 and July 2005 on the basis of DGH and medical report dated 14.10.2005. The life assured died on 20.11.2005. As duration of revival was one month and five days only, the claim was got investigated which revealed that the life assured was suffering from hypertension for one and half year and did not enjoy good health at the time of revival. This was evident from form no. 3816 received from PGI, Chandgarh. However, this fact was knowingly withheld at the time of revival of policy. Hence, as per terms and conditions of revival, the policy was held void and death claim was repudiated and complainant was informed vide letter dated 11.03.2006. It was further stated that acquired paid-up value of Rs. 14,000/- has since been paid to the complainant along with accrued bonuses. It was, therefore, urged that the case be closed.

During the hearing on 28.06.2006, the complainant stated that the claim was repudiated without any justification. Her husband did not suffer from any ailment. The contention that he suffered from hypertension was denied. He did not take treatment in any hospital. He died suddenly. She also stated that at the time of admission he was unconscious and died in the same condition. She was not aware who gave information that he was suffering from HT for the past one and half year.

The representative of insurer pointed out that as per form no. 3816 obtained from PGI, the DLA was suffering from hypertension for the past one and half year. He died of cerebral hemorrhage which was caused by hypertension. The fact that he was suffering from hypertension was disclosed by someone who accompanied him to the hospital. Since death occurred within a month and five days of revival, the claim was not payable. It was admitted that there was no further evidence with regard to previous treatment. In view of evidence on record the onus was on the complainant to establish that he was not suffering from hypertension. The claimant vehemently refuted the argument put forth by the representative of insurer. She stated that as he was not treated anywhere, it is for the insurer to prove that her husband had been treated prior to purchase of policy.

Decision : Held that the claim had arisen within a short period of revival of policy and cause of death has nexus with hypertension that DLA was suffering from. This fact was not disclosed at the time of revival of policy. Therefore, the decision of insurer was upheld and the complaint was dismissed.

Chandigarh Ombudsman Centre
Case No. LIC/80/Jalandhar/Kapurthala/24/07
Ranjit Kaur
Vs
Life Insurance Corporation of India

Award dated 24.07.2006

Facts : Gurdial Singh, husband of Ranjit Kaur had taken a policy bearing no. 131828767 from Branch Office, Kapurthala for sum assured of Rs. 51000/- with DOC 15.12.2003. He died on 08.05.2005. As death claim filed by her was not settled, her financial position worsened. She stated that she has two young daughters and one son and has no source of income to make both ends meet.

Findings : Sr. Divisional Manager, Jalandhar to whom the complaint was referred informed that LA died within one year and four months from the date of commencement of policy due to renal failure. Documents received from Kidney Hospital, Jalandhar, revealed that he was suffering from acute renal failure. He got his serum creatinine tested from hospital on 20.11.2003, which predates the commencement of policy. The report showed advanced stage of renal failure. The DMR also opined that the case should not be given any favourable consideration. Requisite record from Kidney Hospital was also obtained. The opinion of physician at the hospital suggested that he was suffering from chronic renal failure and it was in the knowledge of DLA, but he concealed it while proposing for policy.

During the course of hearing on 24.07.2006, the complainant stated that she was not aware of the fact that her husband was ill, nor she had any knowledge about the disease he was suffering from. On behalf of the insurer, it was stated that the policy was taken by DLA after a month it was detected that he was suffering from renal failure. A certificate issued from Kidney Hospital was shown confirming that he was suffering from kidney problem before taking this policy.

Decision : Held that in view of documentary evidence to the effect that DLA was suffering from renal failure prior to taking the insurance policy, it was a clear case of suppression of material facts. Therefore, the decision of the insurer was not interfered with and complaint was dismissed.

Chandigarh Ombudsman Centre
Case No. LIC/142/Ludhiana/Bathinda/21/07
Sharad
Vs
Life Insurance Corporation of India

Award dated 17.08.2006

Facts : Bhag Chand had taken a policy bearing no. 161122186 from Branch Office, Bathinda for sum assured of Rs. 2,00,000/- with 15.05.1998 as DOC. He died on 29.08.2005. Sharad, his son, being the nominee, submitted the claim papers. The claim was repudiated on the ground that there was difference in the age of DLA as per age-proof submitted with the claim papers. He complained that rejection of claim was

unjust. Age-proof should have been asked for by LIC authorities at the time of giving insurance cover. At the most additional premium payable on this account could be deducted out of the claim amount because of age difference. He represented to the B.O., but no satisfactory response was given. Therefore, he sought intervention of this Forum.

Findings : Manager(PS) informed vide letter dated 17.07.2006 that the proposal was accepted on 16.05.1998 and age proof was not submitted by DLA at the time of purchase of policy. The proposal was accepted on the basis of DGH. Life assured died on 29.08.2005 due to high fever and intimation about death was received on 30.11.2005. Upon receipt of claim papers, the Branch Office called for age proof. A photostat copy of identity card issued by Election Commission was furnished by the claimant. It revealed that the age of LA was 63 years on 01.01.1995. Thus, on the date of proposal he was 66 years old instead of 58 years as declared in the proposal form and thus not insurable. The Standing Committee repudiated the death claim and decided to refund the premiums on ex-gratia basis. Accordingly, the complainant was asked to submit form no. 5170 which was awaited.

Parties were called for hearing on 12.08.2006. The complainant failed to turn up. On behalf of the insurer, it was stated that the policy was taken by giving sub-standard age proof. When LA died, age proof was called for. The ID card issued by Election Commissioner revealed that at the time of purchase of policy, LA was 66 years old whereas he had disclosed his age in proposal form as 58 years. The LA was not insurable under any plan, as maximum age at entry was 60 years. The claim was, therefore, rightly repudiated. However, taking a compassionate view, it was decided to refund the entire premium amounting to Rs. 1,26,015/-. As soon as the discharge form is received, the premium amount would be refunded.

Decision : Held that as per correct age, DLA was not insurable. Understatement of age vitiated the underwriting process. Corporation had been rather indulgent in agreeing to refund entire premium amount of Rs.1,26,015 on ex-gratia basis. The complaint was, accordingly, dismissed.

Chandigarh Ombudsman Centre
Case No.LIC/45/Ludhiana/21/07
Bal Singh Rana
Vs

Life Insurance Corporation of India

Award dated 24.08.2006

Facts : Ayudhya Rani had taken a money back policy bearing no. 161400224 from Branch Unit-II, Ludhiana for sum assured of Rs. one lac with 01.04.2001 as DOC. She died on 15.11.2002 i.e. within one year and seven months of inception of policy. Bal Ram Singh Rana, her son, being the nominee filed the claim with the B.O. which was repudiated on the ground that his mother had made incorrect statement and withheld material information regarding her health status at the time of effecting the insurance. The complainant pointed out that his mother was on duty till she died of heart failure. It was stated that the claim cannot be repudiated as the disease was detected after purchase of the policy.

Findings : Manager(PS/SSS/CRM) informed that the claim was lodged two years and ten months after the death. The investigation report revealed that LA was suffering from breast cancer since 15.09.2000 as per form no. 3816 of Mohan Dai Oswal

Hospital. She had been diagnosed as a case of breast cancer in Government Medical College, Chandigarh in September 2000.

Decision : As the complainant failed to furnish P-II and P-III forms despite two reminders, intervention was not possible. Prima facie, LA had withheld material information regarding his health at the time of proposing for the policy. The case was, accordingly, closed.

Chandigarh Ombudsman Centre
CaseNo. TATA AIG/175/Mumbai/Chandigarh/21/07
Satvinder Kaur
Vs
Life Insurance Corporation of India

Award dated 31.08.2006

Facts : Satvinder Kaur purchased a policy bearing no. C-110341688 for sum assured of Rs. 1.25 lac in the name of her son Harpartap Singh from Branch Office Chandigarh of TATA AIG for securing him a better future. It was a dark day of her life when on 16.05.2006 her son met with an accident. The case was registered against the car owner for negligent driving. She filed the claim and deposited requisite documents with the insurer. She was informed by the insurer on 25.07.2006 that the claim was not payable as her son was suffering from asthma since he was six months old. She stated that this was an excuse not to pay the claim. Her son was hale and hearty and was not suffering from any disease; he was six feet two inches tall and weighed more than 80 kgs.

Findings : Sr. Manager (Customer Services) pointed out vide letter dated 28.08.2006 that insured had symptoms of behavioural abnormality, lack of confidence and kleptomania. He was weak in studies, careless, slow in action, nervous and was under treatment for asthma since the age of six months. This inference was drawn on the basis of interview by the company's representative with the family physician, Dr. J.B.D. Castro. But this information was not disclosed in the application for the purchase of policy nor in the health certificate dated 12.03.04. This information was relevant to the risks associated and had it been made known, the underwriting consideration and decision would have been different. The policy was last reinstated on 22.02.2006. The claim was declined as the policy was voided since inception as per section 45 of Insurance Act 1938.

During the hearing, the complainant stated that her son died on 16.05.2006 in an accident. The policy was in force at the time of accident. She filed the claim with the insurer, but it was repudiated on the ground that DLA was not keeping well and that this fact was not disclosed at the time of purchase of policy. She stated that he was hale and hearty. However, she used to consult homeopathic doctor for any illness suffered by family members. She urged that the claim should be paid to her.

The representative of insurer pointed out that the policy was issued with 10.06.2003 as the DOC on 29.11.2003 and the premium due in December 2003 was not paid. The policy lapsed, which was reinstated on 12.03.2004 on the basis of health certificate. In the application for insurance dated 10.06.2003 and also in the subsequent health certificate for reinstatement, questions pertaining to health status of DLA were replied to in the negative. Neither information regarding health status was disclosed nor any details about family doctor were given. Apart from psychological problems, DLA had history of asthma since childhood when he was six months old. The policy lapsed again

when premium due in December 2005 was not paid. It was last reinstated on 22.02.2006 without obtaining health certificate. For all intents and purposes, the policy was to be treated as a fresh policy from the date of second reinstatement i.e. 22.02.2006. Since the policy was in force for two months and 24 days only prior to the death of DLA it was within the zone of contestability under section 45 of Insurance Act, 1938. The claim was, therefore, got investigated. The complainant was interviewed, but she did not disclose anything adverse about the health status of DLA. It was stated that DLA had behavioural problems, recurrent headache and psychological abnormality and he also suffered from asthma since he was six months old.

The representative of insurer argued that any non-disclosure on the part of proposer tantamounts to withholding of material information. On the basis of doctor's report, the underwriter expressed the view that had the facts been known, proposal would have been declined as in the case of juvenile sub-standard life the policy is not issued as per underwriting guidelines. It was admitted that while reinstating the policy second time, health certificate was not taken for administrative convenience as default in payment of premium was for a short duration. It was contended that the health certificate given earlier will be relevant for settlement of claim and the nexus between the cause of death and non-disclosure of material information was not required to be established as the policy itself is contestable. Since the last health certificate which formed the basis of repudiation of claim was taken on 12.03.2004, at the time of accident the policy had run for more than two years. It was, therefore, beyond the zone of contestability.

Decision : Held that the proximate cause of death being an accident has no nexus with the non-disclosure; besides, as the fraudulent intent could not be established, repudiation was set aside.

Chandigarh Ombudsman Centre
Case No.LIC/100/Karnal/Charkhi Dadri/21/07
Om Parkash
Vs
Life Insurance Corporation of India

Award dated 31.08.2006

Facts : Om Parkash had taken a policy bearing no. 173813974 for his daughter from Branch Office Charkhi Dadri for sum assured of Rs. 1,01,000/- with DOC 13.03.2004. His daughter died on 03.01.2005. The death claim filed by him was repudiated on the ground that death was caused due to poisoning within one year. However, PMR revealed that death was not caused by poisoning. He furnished a copy of report to Divisional Office Karnal , but no action was taken. Feeling aggrieved, he sought intervention of this Forum for getting the payment of death claim alongwith interest.

Findings : Manager(PS/CRM) informed vide letter dated 12.07.06 that the policy was issued on 13.03.2004 and date of death was 03.01.2005. The death claim was repudiated under suicide clause as the suicide clause was operative. However, the chemical analysis report was awaited at that time. The said report was received which later revealed that the test was negative for common poison. The case was, therefore, sent to Zonal Office for reconsideration.

Decision : Held that the basis on which the claim was repudiated no longer exists in view of chemical analysis report. The insurer was, therefore, advised to get the decision from ZO CRC expedited within a period of three weeks or else apprise the

Zonal Office of the factual position and ask for return of the case and settle the claim accordingly.

Chandigarh Ombudsman Centre
Case No.SBI Life/381/Mumbai/Delhi/21/06
Smt. Asha Gupta
Vs
SBI Life Insurance Co. Ltd.

Award dated 12.09.2006

Facts : M/s Vardhman Spinning & General Mills Limited sought group insurance cover for the staff and officers of its group companies from SBI Life. M/s. Mahavir Spinning Mills Limited acted as a nodal agency between the insurer and the employees for collecting insurance premium. The terms and conditions contained in the offer letter of the insurer dated 26.07.2003 were accepted vide letter dated 15.09.2003 and premium was paid accordingly. The offer letter provided mandatory coverage for all employees. Claim was payable for death due to any reason. Besides, medical test was exempt for sum assured upto Rs. ten lac. The policy commenced w.e.f. 01.10.2003, with a initial term for one year. However, in the Master Policy issued on 16.10.2003, an "Eligibility Criteria" was incorporated which envisaged that the member should be in good health and should not be suffering from critical illness at the time of entry into the scheme. The terms "Good Health" and "Critical Illness" were, however, not defined.

M.C. Gupta, died on 21.12.2003 happened to be the Chief Executive of Arisht Mills Limited at Baddi, an allied unit of Mahavir Spinning Mills Limited. He was covered under the scheme and was insured for Rs. ten lac. No declaration was taken by the insurer about his good health from the employer. All employees including M.C. Gupta were reportedly in good health at the time of entry into the scheme. He had sudden heart attack and was taken to Escorts Heart & Research Institute, New Delhi where he underwent surgery and died on 21.12.2003. The death claim filed by Mahavir Spinning Mills was repudiated on the ground that as the disease pre-existed the inception of policy, he did not fulfil the "eligibility criteria". It was stated that the repudiation of claim on the plea that he was suffering from critical illness was wrong and illegal and without any basis.

It was further urged that no material facts were concealed at the time of taking the policy. No employee was subjected to any medical examination, nor was any enquiry made as to whether any member was suffering from any disease either critical or otherwise. In the absence of medical examination, the fact of critical illness cannot be determined. The "Eligibility Criteria" did not clarify as to what kind of sickness or ailments would disentitle coverage under the policy, nor was the critical illness defined while issuing the policy. Besides, "Eligibility Criteria" was incorporated in the Master Policy after acceptance of offer to defraud the insured.

Asha Gupta (wife of DLA), her two daughters and a son earlier filed a writ petition no. 12733 against repudiation in the Hon'ble Punjab & Haryana High Court and notice of motion was issued to the insurer. Since the insurer raised an objection that an alternative remedy is available to the petitioners under Rule 13 of the Redressal of Public Grievances Rules, 1998, it must be exhausted before invoking the writ jurisdiction. Therefore, the writ petition was dismissed as withdrawn and the complaint was filed in this Forum.

Ms Jyotika Singh, the Company Secretary and Compliance Officer to whom the complaint was referred informed vide letter dated 26.05.2006 that Mahavir Spinning Mills Ltd. was issued a Group Term Insurance Policy on 10.10.2003, (actually issued on 16.10.2003). M.C. Gupta, one of the members, died on 21.12.2003 just two months after the inception of policy. The death summary issued by the Escorts Heart & Research Institute, New Delhi submitted by the claimants indicated that he was a known case of triple vessel disease with LV dysfunction with history of CVA and frontal infaracts. He underwent bypass surgery on 20.12.2003 and died on 21.12.2003. Material facts about the health of LA were suppressed in the declaration of Good Health. The claim was, therefore, repudiated. She also referred to Eligibility Criteria in the Master Policy. A copy of the reply filed in the Hon'ble Punjab and Haryana High Court was enclosed together with death summary issued by Escorts Heart & Research Institute, New Delhi.

In the written reply to the writ petition before the Hon'ble High Court it was stated that:

- i) The group insurance policy was issued on 06.10.2003 (actually issued on 16.10.2003) on the basis of DGH submitted by the nodal agency regarding all employees.
- ii) As the contract of insurance is uberrima fides, persons seeking insurance are bound to disclose all material facts relating to risk involved. Though generally in group insurance scheme, medical tests are exempted, the employer is duty-bound to provide true information about existing health of employees which is relied upon by the company. As M.C. Gupta was suffering from heart related disorders, he could not be said to be in good health and eligible for membership of the Scheme. As this fact was not disclosed and a false declaration of his good health was submitted, coverage in respect of M.C. Gupta was null and void. The claim was thus repudiated correctly in terms of Insurance Policy.

During hearing of parties on 18.08.2006, on behalf of the complainant it was stated that the policy provided for mandatory coverage of all the employees. In the final offer letter dated 26.07.2003, which was accepted by the company, eligibility criteria was not mentioned and employees were exempt from medical examination. It was contended that LA was not suffering from any critical illness and was in good health at the time of purchase of policy. It was stated that M.C. Gupta as Chief Executive Officer was engaged in a highly responsible job. He was taken ill while actively engaged in his official duties. It was further stated that the insurer had no authority to change the terms and conditions of the policy after an employee becomes a member. The only exclusion in the offer relates to suicide during the first year of policy. Besides, the insurer at no stage called for certificate of good health. The insurer only asked for details regarding no. of employees and their age-group etc. which were duly submitted.

The representative of insurer pointed out that as per discharge summary DLA was a known case of triple vessel disease with hypertension which implied that it was an old ailment and must be in the knowledge of the insured. He stated that as medical examination is exempt, certificate regarding good health was not demanded. He stated that the policy was issued on the condition that members covered under the policy are in good health. The claimant suffered from diabetes and triple vessel disease as was evident from discharge summary. Therefore, he was not eligible for the cover. On behalf of the complainant, it was urged that exclusion of some employees on the ground that they do not enjoy good health would go against the provision of compulsory coverage for all. Besides, the offer and acceptance thereof cover death

due to any reason and only exclusion is death due to suicide during the first year. Mahesh Arora, Corporate General Manager (Marketing & Finance), Mahavir Spinning Mills confirmed vide letter dated 19.08.06 that no declaration regarding good health was given to the insurer. Acceptance of the revised offer was conveyed vide letter dated 15.09.03.

On behalf of the insurer, Ms Rubina, Executive (Legal & Compliance) admitted vide letter dated 30.08.2006 that since it was a compulsory scheme all employees were covered, no separate declaration of good health was executed by any individual. Since DGH was not signed either by individual members or by the company, the insurance company protected itself from such claims by including eligibility criteria in the master policy. It was further stated that M.C. Gupta died within two months of entry into the scheme. The problems which led to his death cannot be ignored even if no individual DGH was taken. The representative of insurer reconfirmed on 01.09.2006 that declaration of good health was not taken. When confronted that in the written reply in the writ petition to the Hon'ble High Court it was wrongly mentioned that DGH was taken, he had no explanation to offer. He, however, argued that the terms and conditions in the master policy are binding.

Findings : On the basis of averments of parties, it was noticed that the policy under group term insurance scheme is distinct from the conventional life insurance policy. No maturity claim was payable in this case. The policy stipulates compulsory coverage of all employees. Medical examination is exempt upto prescribed ceiling of sum assured upto Rs. ten lac and no declaration about good health from individual employee or collectively from the company was taken.

The "Eligibility Criteria" was incorporated unilaterally in the master policy after acceptance of the offer and payment of premium without obtaining prior acceptance from the nodal agency. It seems quite unethical on the part of insurer to have surreptitiously put this condition in the master policy to the detriment of the proposer which was not a part of the offer and hence legally questionable. Further, as no declaration of good health was taken, it could not be construed that there was concealment of any material fact. The interpretation of the insurer that mandatory coverage was subject to fulfillment of eligibility criteria was misplaced as mandatory coverage and eligibility criteria do not go together. It could not be the intention of the insurer to claim premium from all the members, but settle the claim selectively and avoid liability by imposing conditions arbitrarily which did not form part of the agreed terms, neither explicitly nor by any interpretation. After making the membership mandatory for all employees without exception, selection of standard and sub-standard lives from the group could not be envisaged. Therefore, repudiation of claim based on non-fulfillment of eligibility criteria was not legally valid.

As per offer of the insurer, death claim was admissible on account of "death due to any reason" which simply connotes that the claim would be admissible in the event of death of any member during the currency of policy. This was unqualified and not hedged with any pre-conditions. By exempting medical test upto threshold limit of sum assured of Rs. ten lac, the insurer implicitly accepted the liability in the event of death for whatsoever reasons. The only exception was suicide clause applicable during the first year of the policy.

The plea of insurer that it was presumed in good faith that all the members were in good health and cover was given accordingly and if later, any statement was detected to be untrue, the claim liability cannot be owned up, was not tenable. The principle of

uberrima fides was as much applicable to insurer as to the insured. Sadly enough, it was the insurer who breached this principle of utmost good faith in this case by clandestinely incorporating "eligibility criteria" to the detriment of the insured. And even if that be taken as correct, no certificate of Good Health was sought by the insurer. After having offered mandatory coverage for all employees without exception and consciously allowing waiver of medical examination and after having taken premium from all the employees, the claim liability cannot be shrugged off.

It was amazing that insurer had the audacity to make a false statement before the Hon'ble High Court as well as this Forum that the claim in respect of M.C. Gupta was repudiated on the basis of wrong Declaration of Good Health. The insurer retracted from this stand only during the course of hearing and later in writing by admitting that Declaration of Good Health was not taken.

In similar Group Insurance policies issued by L.I.C. of India and other insurers where members are not subjected to any medical examination, claims are settled on production of death certificate subject to the ceiling of sum assured and no investigation is conducted, nor information regarding health status is asked for. The repudiation of claim by the insurer in this case was thus contrary to the industry practice for similar type of policies.

Decision : Held that having regard to the fact that the "Eligibility Criteria" was unilaterally incorporated in the Master Policy and further that no Declaration of Good Health was taken and the offer provided for compulsory coverage of all employees, exemption from medical test and benefit in the event of death for any reason, it was held that the repudiation of the claim was not in order. Accordingly, the repudiation was set aside and it was ordered that the claim be paid within fifteen days from the receipt of this order.

**Chandigarh Ombudsman Centre
Case No.LIC/188/Karna/Kalka/24/07**

Anita Devi

Vs

Life Insurance Corporation of India

Award dated 22.09.2006

Facts : Vijay Kumar, husband of Anita Devi, the complainant, had taken two policies bearing nos. 171653725 and 172314563 with DOC 15.7.02 for sum assured of Rs. 50,000 each. He died on 30.4.05. The FUP in both the policies was 15.7.04. The policies were in lapsed condition on the date of death.

Findings : Manager (CRM) informed vide letter dated 14.9.06 that DLA was in the service of HMT. Both the policies had run for two years and were in a lapsed condition on the date of death. As per policy condition, nothing was payable. However, the claim fell under Chairman's relaxation rules. As per these rules, if the death of LA occurs between six months to one year from FUP, proportionate payment of notional paid up value on the basis of actual premiums paid could be admitted on ex-gratia basis. This is further subject to the condition that the competent authority feels satisfied about the genuineness of the claim. It was stated that the claim was pending for want of details of leave availed on medical grounds from the employer for the period 07/1999 to 07/2002 and efforts were being made to access relevant record.

Decision : Held that details of leave record may not be relevant or necessary in this case as only notional proportional paid up value was being reimbursed. Therefore, the insurer was advised to have a fresh look in the matter and settle the claim accordingly.

Chennai Ombudsman Centre
Case No. IO (CHN)/21.04.2010/2006-07
Sri K.Venugopal
Vs
Life Insurance Corporation of India

Award dated 28.4.2006

Shri K. Venugopal preferred a complaint against L.I.C. of India, Madurai Division regarding repudiation of death claim under his late mother K. Chinnathai's Endowment policy for Rs.50,000/-. The assured died on 22.5.2001 due to heart attack. The Insurer denied the claim on the ground that the assured had suffered from Uterus problem two years prior to proposing for insurance and had taken treatment in a hospital but failed to disclose these details in the proposal form. The Insurer argued that this non-disclosure deprived them of a proper risk assessment and hence repudiated the claim.

A hearing of both the parties was held on 25.04.2006. The complainant totally denied that his mother was ill and had availed any treatment. She was working as an agricultural coolie till the last day. After returning from work, she complained of chest pain. She died on the way to the hospital. The claim was preferred after 2 years and 8 months after the death of the assured. When quizzed about the delay in preferring the claim, he was inconsistent with his reply. The Insurer said that they came to know of the uterus problem of the assured as a result of the investigation they had conducted. The delay in intimation of claim denied them of a chance of proper investigation. They denied the receipt of claim intimation from the complainant immediately after the death, contrary to the statement made by the complainant.

A careful study of the evidences as detailed above established the fact that the Insurer concluded that the assured suffered from uterus problem in the pre-proposal period based on the report submitted by their official who investigated the claim. There was no supportive or corroborative evidence such as treatment particulars or a detailed letter from the treating doctor to conclusively prove that the assured really suffered from uterus problem. At the same time it cannot be ignored that the delay in preferring the claim with the insurer had definitely deprived the insurer of collecting evidence to prove the pre-proposal illness the assured had suffered. As such, this forum decided that an amount equal to 50% of the basic sum under the policy i.e. an amount of 25,000/- on an ex-gratia basis be made available to the complainant. The insurer was directed to pay the amount in full and final settlement of the claim.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.06.2007/2006-07
Smt. J.Shanthi
Vs
Life Insurance Corporation of India

Award dated 28.4.2006

A complaint was preferred by Smt.J.Shanthi, W/O Late S.Jayapal, against Thanjavur Division of L.I.C. of India, regarding the denial of death claim on her husband's policy no.753461608. Her husband had taken a New Janaraksha policy with commencement date 28.03.2004 for a sum assured of Rs.30,000/-. He died on 04.08.2004 due to heart attack. The Insurer had repudiated the claim on the ground that the assured had made

deliberate misstatements and withheld material information relating to his correct age at the time of effecting the policy of insurance and as such the policy was declared null and void. The complainant pleaded for consideration of her claim sympathetically.

A hearing of both the Insurer and the complainant was held on 26.04.2006. The complainant deposed that her husband an agricultural coolie died suddenly when he went to the fields for work. When enquired about her age she informed that she cannot state her age correctly being an illiterate but she got married at the age of 17 about 20 years back. The difference in age between her husband and herself would be around 2 years only. The Insurer's representative said that the assured had mentioned his age as 38 in the proposal. The New Janaraksha plan was designed in such a way that upto age 40 years it was considered under Non-medical and believing the age declared in the proposal as correct and as the sum to be assured was only 30000, the proposal was accepted. The evidences viz. the ration card and extract of death register obtained through investigation went to prove that the age of the life assured at the time of proposing was more than 40 years. Had the correct age been declared they would have called for medical report on his life and based on the medical report, the underwriting precautions would have been taken and policy issued accordingly.

The life assured was from rural area and the premiums are fixed accordingly as they would have been aware of the extra risk involved. The age mentioned in the family ration card are as recorded by the enumerators and the age given by the relative in the burial ground extracted from the death register cannot be taken as correct. These age proofs submitted by the insurer as evidences for denying the claim are non-standard age proofs as per their own classification of age proofs, such as the one given by the deceased based on which the insurance was granted. Thus disproving one document with another of the same nature is devoid of natural justice.

The complaint was allowed.

Chennai Ombudsman Centre
Case No.
Smt.M.K.Prameela Arokya Edwin
Vs
Life Insurance Corporation of India

Award dated 5.5.2006

Smt M.K.Prameela Arokya Edwin, W/O Late Shri L.Thomas Anbu Arul, Dindigul preferred a complaint with this forum against L.I.C. of India, Madurai Division for having rejected her claim under the policy on the life of her husband. The assured took a policy for Rs.100000/- on his life under Jeevan Anand Plan. The Date of commencement was 23.03.2004. He died on 04.01.2005 after consuming toilet-cleaning acid. The claim under the policy was repudiated by the insurer on the ground that the assured committed suicide within one year from the date of the policy and hence the policy was declared null and void in terms of the policy contract and there was no legal obligation on the part of the insurer to honour the claim made by the complainant.

All the documentary evidences relating to the case were obtained and perused. Both the contending parties were called for a personal hearing. The complainant did not attend the hearing. The Insurer contended that the assured had committed suicide and the suicide clause was operative. In terms of the said clause, death due to suicide within one year from the date of the policy is not covered. As per the FIR, the life assured was suffering from severe stomach pain for 2 years and was treated in many

places but was not cured. A suicide case had been registered by the Police under Section 174 of Cr.P.C. The deceased life assured was taking treatment with Dr.K.Rajasekaran for stomach pain and he had given a letter stating that the deceased was taking treatment for Acid Peptic Disease for the last two years. The post mortem was conducted and the chemical analysis report revealed that the death was due to poisoning, but the nature of poison could not be ascertained.

The final decision of the case registered by the police was not known, as the insurer did not produce any further proof regarding the final outcome of the case. Dr.K.Rajasekaran's undated letter certified that the deceased life assured was suffering from Acid Peptic Disease. Neither the treatment particulars nor any information as to the severity of the disease driving him to the extreme step of ending his life is available. The official of the insurer who investigated the claim did not appear to have made any attempt to collect any hard evidence to corroborate his statement that the deceased suffered from ulcer for the past two years.

This forum after a careful consideration of all the facts of the case comes to the conclusion that total denial of claim under the policy on the ground that the life assured committed suicide within one year could not be justified in law and on facts as well. However, there is also merit in the contention of the insurer that the life assured could not have taken acid involuntarily. In the circumstances, this Forum decided to grant an ex-gratia payment equal to 50% of the sum assured to the complainant.

The Complaint was partly allowed.

Chennai Ombudsman Centre
Case No.IO (CHN)/21.07.2635/2006-07
Smt.S.Muthulakshmi
Vs
Life Insurance Corporation of India

Award dated 9.5.2006

Smt S.Muthulakshmi, D/O P.Eswaramurthy (late) preferred a complaint with this forum against L.I.C. of India, Tirunelveli Division for having rejected her claim under the policy on the life of her father. The assured took a policy for Rs.30000/- on his life under Endowment Assurance Plan with Date of commencement of risk as 25.06.2003. He died on 22.09.2003. The claim under the policy was repudiated by the insurer on the ground that the assured in his proposal dated 12.06.2003 had suppressed material information relating to his suffering from Diabetes Mellitus with Ventricular Neuronitis prior to proposing and also not disclosed the leave on medical grounds he had availed during the five year period prior to his proposing for Insurance.

All the documentary evidences relating to the case were obtained and perused. Both the contending parties were called for a personal hearing and their submissions recorded. The Insurer contended that the assured had Acid Peptic Disease, 15 days prior to proposing for Insurance and also was suffering from Diabetes Mellitus with Ventricular Neuronitis. For both the ailments he had availed leave from his employer. Had these details been disclosed they would have taken the appropriate underwriting precautions and called for the required additional reports. He also informed that Section 45 of the Insurance act was not operative in this case.

The complainant had in her representation to this Forum stated that the spells of leave were availed on medical grounds only for the purpose of getting leave by the assured since it was difficult to get any leave otherwise. Dr.A.Balasubramanian, who had

completed the Form B, Medical Attendant's Certificate, had forwarded all the medical certificates to the Principal of the Medical College and Hospital, the Deceased Life Assured's employer. However, he had not mentioned anything about Diabetes Mellitus with Ventricular Neuronitis in Form B. Instead he had stated 'nil' for the question about the preceding or co-existing diseases, which immediately caused the death of the life assured. This amply proves that medical certificates were issued in a routine way and not for any real treatment.

In the absence of any corroborative evidence like treatment particulars, medicine prescribed etc. it would be difficult for this Forum to concur with the Insurer's decision to repudiate the claim on the policies in question for suppression of material facts merely based on the two spells of leave availed by the life assured. However, the fact cannot be ignored that the assured did not mention in the proposal the medical leave availed by him. As such, this Forum decides that an amount equal to 50% of basic sum under the policy i.e. an amount of Rs.15000/- be made available to the complainant.

The complaint was partially allowed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.06.2596/2006-07
Smt. Hannah Rachel Vasanthi
Vs
Life Insurance Corporation of India

Award dated 10.5.2006

Shri. V.David Chellaiah had taken 3 policies bearing nos.752808257, 752808280 and 753393868 for Sum Assured Rs.100000/-, 128000/- and Rs.51,000/- respectively. The proposals were accepted with Dates of commencement as 09.06.2003, 15.06.2003 and 14.02.2004 respectively. The assured died on 13.05.2004 due to Cardiac Arrest and Hypertension. The Insurer had denied the claim payment stating that the assured did not disclose in the proposals the fact that he had suffered from Hypertension, Bronchial Asthma and pain and stiffness in the left hip since childhood for which he underwent Hip Replacement at MIOT Hospital on 08.05.2004 and therefore held the policy null and void. The wife the deceased life assured approached this Forum for redressal.

A personal hearing was held on 26.04.2006. The complainant explained that severity of Asthma cannot be ascertained and chronic asthma would lead to Cardiac Asthma. She denied that her husband had the illness from childhood. She admitted that her husband had hypertension and used to take treatment for the same. He used to take steroids for Asthma also. The Insurer stated that the claimant in her statement had written that the life assured was suffering from Hypertension, Bronchial Asthma for the last 36 months and was taking treatment. He was suffering from Vascular Necrosis pain in the leg and was treated at MIOT Hospitals, Chennai. Their contention was that had the life assured disclosed that he was Hypertensive and Asthmatic, depending upon the required special reports and asthma questionnaire and severity of the problem, the underwriting decision would have been different.

Thus a careful and dispassionate study of all the evidences available in the case file proved beyond any shred of doubt that there was a clear and deliberate suppression of vital information relating to a very serious ailment the assured suffered from in the pre-proposal period. The decision of the insurer to deny the claim under the policies is held to be legally and factually sustainable and this Forum upholds the same.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.06.2046/2006-07
Shri R.M.Mayandi
Vs
Life Insurance Corporation of India

Award dated 19.5.2006

Smt.V.Nagammai had taken 3 policies bearing nos.752122358, 751500808 and 751506357 with Dates of commencement as 28.03.1999, 23.01.1996 and 23.01.1997 respectively. The assured died on 28.03.2002 due to Malignant Pleural Effusion and Cancer in Breast with Secondaries. The Insurer had denied the claim payment stating that the assured did not disclose in the proposal and during revival the fact that she had suffered from breast cancer and made deliberate misstatements relating to her health condition and therefore there was no legal obligation on the part of the insurer to honour the claim made by the complainant as nominee of the assured under the aforesaid insurance policies. The husband of the deceased life assured approached this Forum for reconsideration of his claim.

A personal hearing was held on 17.05.2006. The complainant pleaded ignorance about his wife's illness due to the estranged relationship he had with his wife. He came to know of his wife's disease from recordings made at the time of burial. He said that his daughters are in the twelfth standard and return of premiums would at least help their education. The Insurer argued that the assured had not disclosed details of her Breast Cancer and the treatment availed at Deep Hospital, Madurai since 1997. They produced copies of the treatment particulars, Medical Attendant's certificate and the Hospital Certificate in support of their argument that the assured, besides being a diabetic, had undergone Left Mastectomy for Cancer in Breast with Secondaries from 16.01.1998 to 27.01.1998 followed by Chemotherapy. The assured had revived two of her policies in 1999 and 2000 and took a third policy in 1999 without disclosing the details of her sickness either in the personal statement of health submitted during revival or in the proposal for the third policy.

Thus a careful and dispassionate study of all the evidences available in the case file proved beyond doubt that the assured was indeed suffering from the dreadful disease at the time of reviving the first two policies and before proposing for the third policy. The decision of the insurer to deny the claim under the policies is held to be legally and factually sustainable and this Forum upholds the same.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.08.2030/2006-07
Shri K.Murugan
Vs
Life Insurance Corporation of India

Award dated 22.5.2006

The Complainant, Sri K.Murugan, who was the son of the policyholder, late K.Karthikeyan lodged a complaint with this forum challenging the decision of the insurer, viz. L.I.C of India in repudiating the claim on his father's policies, for which he was the nominee. The policies bearing numbers 732264293, 732294297 and 732264301 each for a sum of Rs.20,000/- were taken with the dates of commencement as 28.03.2003 under all the three policies. The assured died on 12.03.2004 due to an

accident. The insurer refused to pay the claim on grounds that the assured withheld material information regarding the details of simultaneous proposals and as such the policies were declared null and void.

A personal hearing of both the parties was held on 16.05.2006. The complainant said that he was not aware that his father had not disclosed the simultaneous proposals. He did not know the agent. The Insurer contended that had the life assured disclosed the proposals given simultaneously, the sum under consideration of the risk would have exceeded the limit of underwriting the proposals with the medical report alone and they would have called for ECG for proper assessment of the risk which opportunity was denied to them.

Going through the facts of the case and the evidence available, we observe that there was a minor lapse on the part of the assured in not mentioning the simultaneous proposals given by him in March 2003. When the death had taken place due to an accident, the contention that the non-disclosure of previous insurance details and consequent deprivation of an opportunity to call for special reports by the insurer resulted in any serious change of circumstances could not hold substance. There was no justification for the insurer to repudiate the claim under the policies. The Insurer could not prove any nexus between the cause of death and the non-disclosure of simultaneous proposals.

The complaint is allowed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.02.2615/2006-07
Smt.M.Jayalakshmi
Vs
Life Insurance Corporation of India

Award dated 23.5.2006

Late P.M.Viswanathan of Chennai took an Endowment Assurance policy on his life for a sum of Rs.25,000/- with Date of Commencement as 15.02.1999 and nominated his mother Smt M.Jayalakshmi there under. The policy resulted into a claim due to the death of the assured on 03.12.2000. Smt M.Jayalakshmi's claim for policy monies was rejected by L.I.C of India stating non-disclosure of correct health condition of the assured in the proposal as ground for repudiation. The complainant challenged this decision of the insurer and prayed this forum to help arrange settlement of the claim amount.

All the relevant case records have been collected and perused. A personal hearing of the contending parties was also arranged and their submissions heard and recorded. The complainant stated that her son never had any health problem except the terminal illness. The Insurers contended that their investigations revealed that he was not in good health even before proposing for insurance. The hospital records for treatment of the terminal illness, throat cancer, reveal that he was a smoker and an alcoholic. He was under treatment for Infective Hepatitis. Since the facts pertaining to his habits and health were not disclosed in the proposal, they repudiated the claim.

There was no documentary evidence to show that the assured had actually suffered from Infective Hepatitis before commencement of the policy and details of treatment availed. The details of the treatment of the deceased for Cancer Oesophagus with Aspiration Pneumonitis all pertain to post-proposal period. The claim forms B and B1 submitted also do not mention anything about Jaundice, which according to the insurer pre-existed. However, there is also merit in the contention of the insurer that they were

put to some disadvantage due to non-declaration in the proposal of medical leave and reasons therefor. Moreover, the Insurer had also been denied the opportunity to collect any possible evidence to prove the illness because of the delayed intimation of the claim by more than 4 years. Hence, this Forum decides to allow the claim on an ex-gratia basis to the extent of 60% of the sum assured viz.Rs.15,000/-.

The Complaint is, therefore, partially allowed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.05.2041/2006-07
Smt.R.Pappamma
Vs
Life Insurance Corporation of India

Award dated 24.5.2006

Shri S.Ramaiah took an Endowment Assurance policy on his life bearing no.701373166 for a sum of Rs.60,000/- with Date of Commencement as 28.03.2002 and nominated his wife Smt R.Pappamma there under. The policy resulted into a claim due to the death of the assured on 04.01.2004 due to heart attack. Smt R.Pappamma's claim for policy monies was rejected by L.I.C of India, Salem Division stating non-disclosure of correct health condition of the assured and the long spells of leave on health grounds in the proposal as ground for repudiation. The complainant challenged this decision of the insurer and prayed this forum to help arrange settlement of the claim amount.

All the relevant case records have been collected and perused. A personal hearing of the contending parties was also arranged and their submissions heard and recorded. The complainant stated that her husband was working as Foreman and he used to complain of chest pain and was taking treatment as outpatient in a hospital. The insurer stated that they had already settled two non-early claims to the nominee. The life assured had availed sick leave for long spells and did not disclose the same in the proposal.

On a careful study of the documents viz. Employer's certificate in Form E and Claim Enquiry Report establish the fact that the insurer was driven to conclude that the assured suffered from some ailment for which he had taken sick leave in the pre-proposal period. But there being no supportive or corroborative evidence to conclusively prove that the assured really suffered from some ailment, the insurer's contention that the deceased life assured withheld material information about his health from them is difficult to accept. However the fact cannot be ignored that the assured did not mention in the proposal the long spells of medical leave availed by him, about which there is a specific question in the proposal. The Insurer is therefore directed to pay the complainant on ex-gratia basis an amount of Rs. 36,000/- in full and final settlement of the claim.

The Complaint is, therefore, partially allowed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.07.2610/2006-07
Smt.T.Lalitha
Vs
Life Insurance Corporation of India

Award dated 31.5.2006

Shri A.Thangadurai, had taken an Endowment policy bearing no.321257928 for Rs.50,000/- and nominated his wife Smt. T.Lalitha as nominee. He died on 18.10.2004. The Insurer denied the death claim payments on the ground that the assured had suppressed the material facts of his severe Diabetes, his consultation with the doctor and the treatment availed three years prior to his proposing for insurance and hence the policy was declared void and hence the complaint preferred with this Forum by the nominee Smt. T. Lalitha.

On 26.04.2006, a personal hearing of both the parties was held. The complainant was represented by her son. He said that his father would have been ill for two or three days perhaps, but did not suffer from any serious illness. His father retired from the police service, was healthy and was studying in Govt. Law College, Palayamkottai. The representative of the insurer stated that the deceased life assured had undergone treatment for severe Diabetes Mellitus with Diabetes Neuritis of the right thigh and inverted muscle, Vertebra Back deficiency, Bell's Palsy and Hepatitis B etc. He had also been advised to avoid travelling and in inevitable cases was advised to go by a comfortable car and also to avoid standing. He said that their repudiation decision was upheld by their Zonal Office Claims Review Committee.

On a careful study of the representation of the complainant and the case presented by the insurer along with the Forms and certificates of treatment taken by the life assured, it was proved that the life assured had suppressed material information while proposing for life insurance. The repudiation of the complainant's claim for the assured sum and its ancillary benefits by the Insurer on the ground that the insured had withheld material information regarding his health is sustainable on law as well as on facts.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.01.2061/2006-07
Smt.B.Jayanthi
Vs
Life Insurance Corporation of India

Award dated 6.6.2006

Smt.B.Jayanthi, W/o late P.Balan has filed a complaint against Life Insurance Corpn. of India of India, Chennai Division I challenging the decision of the Insurer in having repudiated the claim under her husband's policy bearing no.712084129 for Rs.50,000/- for a term of 25 years. The life assured died on 27.03.2005 due to Cerebro Vascular Accident, Accelerated Hypertension and Chronic Renal Failure. The Insurer repudiated the claim on the ground that the Life Assured suppressed material information regarding his health condition while reviving the policy.

All the relevant case records have been collected and perused. A personal hearing of the contending parties was also arranged and their submissions heard and recorded. The complainant said that her husband was a labourer. She deposed that the agent who was instrumental for II revival of the policy compelled her husband to take a policy on their daughter's life. She argued that the Declaration of Good Health was in English and the vernacular declaration was not signed in the DGH by her husband. So also the signature of the person who had explained the questions was also absent. The Insurer said that the policy was revived for the second time. They paid II Survival Benefits. The Life Assured had undergone Bypass Surgery and the same was not disclosed during

the first revival itself. As the first revival itself was declared null and void the Life Assured was not eligible to get the two Survival Benefits for Rs.7500/- each. However, taking a sympathetic view they did not recover the same.

There was enough room to suspect that the Declaration of Good Health might not have been filled with the full knowledge and understanding of the Deceased Life Assured. The role of the medical examiner and the agent are far from satisfactory. Hence this forum comes to a considered conclusion to pay an amount of Rs.25000/- on ex-gratia basis less the two survival benefits paid.

The Complaint is, therefore, partially allowed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.06.2063/2006-07
Smt.M.Yasmin Begum
Vs
Life Insurance Corporation of India

Award dated 12.6.2006

Shri A.Mohammed Farook has taken a policy bearing no.752251773 for Rs.75,000/-. The policy was issued after obtaining Exchange Control Query Form as the life assured was residing in Dubai. The policy lapsed and was revived on the basis of Personal Statement of Health dated 09.01.2003. The Life Assured died on 14.07.2003. The cause of death was sudden heart attack. Smt.M.Yasmin Begum filed a complaint stating that the death claim under her husband's policy was repudiated on the ground that the signature in the Proposal form and Personal Statement of Health dated 09.01.2003 submitted for revival of the policy did not pertain to that of the life assured and hence the revival was declared null and void.

Both the contending parties were heard and their submissions recorded. The representative of the complainant and the powerholder deposed that premiums were paid by the life assured's wife through the agent of LIC of India. He said that there was no need to forge his signature since the life assured was very much available. He questioned as to why the office had not verified the signature at the time of revival and had pointed out the difference when the claim arose for just repudiating the claim. The Insurer could disprove that the assured had signed the Personal Statement of Health dated 09.01.2003 at Dubai as the policy was revived at the branch on the same day i.e.09.01.2003 and the signatures also did not tally. The Insurer contended that had it been disclosed that the life assured was in Dubai at the time of revival they would have called for NRI questionnaire and medical report duly witnessed by the medical examiner in that country.

The repudiation of the complainant's claim for the assured sum by the Insurer on the ground that the signature in the Declaration of Good Health form did not pertain to that of the said decision of the life assured and hence the revival is void is sustainable on law as well as on facts. Hence the decision of the insurer to repudiate the claim under the policy is upheld.

The complaint is dismissed.

Chennai Ombudsman Centre
Case No. IO(CHN)/21.06.2118/2006-07

Shri T.K.Sundaram
Vs
Life Insurance Corporation of India

Award dated 16.6.2006

Smt.K.Kamala Bai had taken a policy bearing No.753131207 for a sum assured of Rs.150000/- as per his proposal dated 10.10.2002. The assured died on 25.01.2004. The complainant Shri T.K.Sundaram, husband of the deceased life assured approached the Insurer for claim monies. The Insurer repudiated the claim on the ground that the life assured had made incorrect statements and withheld material information regarding her health that she was suffering from Diabetes Mellitus, was operated for Ulcer Left Leg and skin grafting was done for Ulcer before she proposed for insurance. The complainant approached this Forum for intervention.

A hearing was held on 12.06.2006 and both the parties were present. The complainant did not attend the hearing but sent his written submissions to this Forum. The representative of the insurer stated that the life assured was aged 58 at the time of proposing. The insurer informed that it was evident from the hospital record of M/s BHEL Hospital that she had taken treatment for Diabetes Mellitus and chronic ulcer of the left leg of the deceased. She had undergone operation for Ulcer Left Leg and skin grafting on 08.06.2002.

The life assured was educated and employed as a teacher and she would have been advised about the seriousness of her ailment Diabetes Mellitus by the Doctor who had operated for Ulcer in Left leg and done skin grafting. The Ombudsman observed that there was clear breach of the principle of "Utmost good faith" and material suppression of vital information at the proposal stage under the policy was clearly proved.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. IO (CHN)/21.04.2128
Smt.S. Ramalakshmi
Vs
Life Insurance Corporation of India

Award dated 8.8.2006

Shri S.Subramani took a policy of insurance on his life with LIC for a sum of Rs.25,000/- on 15.02.1996. He nominated his wife, Smt.S.Ramalakshmi to receive the benefits under the policy. The policy lapsed in 2002. It was revived on 21.10.2005 on the strength of a personal statement of health signed by the life assured. He died on 26.10.2005. The claim for policy monies was repudiated on ground of suppression of material information relating to his health by the life assured. The life assured was suffering from "Acute Myeloid Leukemia" and was taking treatment for the same. The repudiation decision was upheld by the Zonal Claims Review Committee giving rise to the complaint before this Forum.

The complainant stated that her husband was suffering for some time and the Doctors in the hospital said that he would survive for another 6 or 12 months. It was the agent who guided in filling up the form. The Insurer said that the policyholder died within 5 days of revival by the same disease which he had suppressed. As the policy had acquired paid-up value, they have offered to pay Rs.13188/-.

There is nexus between cause of death and the illness suppressed. The agent has done a grave error in wrongly guiding the policyholder. However the insurer has

irrefutable proof of illness and the Forum finds no need to interfere in the decision of the insurer.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. IO (CHN)/21.07.2172
Shri C.Krishnamoorthy
Vs

Life Insurance Corporation of India

Award dated 10.8.2006

Smt.K.Deivanayagi insured her life for Rs.1,02,000/- on 16.01.2004. She died on 05.01.2005 of Malignant Secondaries and Cancer. The Insurer repudiated the claim of Shri C.Krishnamoorthy – the nominee and now the complainant – on the ground that the life assured had suppressed the details of breast cancer in the proposal.

The Ombudsman examined all the details in the hearing. The complainant expressed his inability to attend the hearing. The Insurer stated that the life assured had taken treatment in Amrita Cancer Institute from 19.01.2004 to 22.01.2004 and where chemotherapy was done on 21.01.2004. Hence it is clear that there was deliberate suppression of material facts and the claim was repudiated.

The cause of death is related to the illness suppressed with the medical evidence produced by the Insurer and also the fact that the complainant himself is a corporate agent of the Insurer (and who would know all the rules). The Forum finds no need to interfere with the Insurer's decision.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. IO (CHN)/21.07.2142
Shri K.Lakshmanan
Vs

Life Insurance Corporation of India

Award dated 14.8.2006

Smt.K.Ramalakshmi, a spinster had insured her life for Rs.1 Lakh stating that she was a Tailor on 28.03.2004. She died on 17.01.2005 due to Congenital Heart Disease. Her brother, the nominee and now the complainant, preferred the death claim. The Insurer repudiated the claim as the life assured had suppressed her real state of health in the proposal.

In the hearing all relevant documents were examined. The complainant stated that he was not aware that his sister had taken a policy or had nominated him. His sister was not well for 1 ½ hours before being admitted to hospital and she was discharged on 12.01.2005 as she was not responding to their treatment. The Insurer asserted that the life assured was under treatment for Congenital Heart Disease well before the date of proposal and that she had not disclosed her state of health, the treatment taken and even she had wrongly stated her family history; perhaps a few of her siblings had died of Congenital Heart Disease. They had repudiated as the information suppressed was material to their assessment of risk.

The life assured died of congenital heart disease and was taking treatment for 1 ½ years from Dr.Amudha Senthilkumar. The Doctor has certified this and also noted that

the Life Assured had history of heart disease for the last 15 years. The Investigating Officer states that the 26 years old spinster was not a Tailor and that there was no need for insurance at all. With this clinching evidence the Forum agrees with the Insurer in their decision to repudiate the claim.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. IO (CHN)/21.002.2137
Smt. B.S. Akilandeshwari
Vs
SBI Life Insurance Co. Ltd.

Award dated 28.8.2006

Shri.T. Bhavanishankar availed Personal loan on 08.04.2005 from GE country wide. The financier in turn had taken a Group Cover Credit Shield and Personal Accident with SBI Life Insurance Company Limited, Mumbai. Sri.T. Bhavanishankar died on 29.06.2005 due to head injury and septic shock. Mrs. B.S. Akilandeshwari, the complainant preferred a claim to SBI Life insurance Co. Ltd., Mumbai, which was turned down by the Insurer stating that the death claim was not payable, as he had not died due to accident.

A hearing was scheduled and the documents perused. The complainant stated that her husband had a fall on 10.04.2006 and had sustained head injury for which he was treated in Kavitha Medical Centre, Faridabad. After First Aid he was shifted to Escorts Hospital for treatment. He remained in the Hospital up to 10th June 2005 when the authorities discharged him, as they could not help him further. He was readmitted within 3 days for fever. He died on 29.06.05. The Insurer read out their definition of accident as "caused by outward, violent and visible means" and as his fall could not be classified as accident, they had repudiated the claim.

Shri. T.Bhavanishankar's fall was an outward event and he had a visible injury. The term 'Violent' is a relative word and the forum found that the Hospital records had all noted him as a case of Accident. Cause of Death in the Death Certificate given by hospital was also head injury.

So the forum concluded that he died due to accident and awarded Rs. 5,00,000/- to be paid to Smt. B.S. Akilandeshwari.

The complaint was allowed.

Chennai Ombudsman Centre
Case No. IO (CHN)/21.08.2186
Smt.K. Valarmathi
Vs
Life Insurance Corporation of India

Award dated 30.8.2006

Shri. M. Kandan took a policy in 1995 under the Money Back Scheme. The policy lapsed twice and then he got them revived and the last revival being in August 2001. He died on 17.07.2004. Smt. Valarmathi, the complainant preferred the death claim as the nominee under the policy. The Insurer repudiated the claim as the "Personal Statement of Health" signed by the Life Assured on 30.01.1997 had not revealed his

treatment in 1996 for extensive Acute Anterior Valve Myocardial Infarction. The complainant represented to this Forum for Redressal.

All the records were perused. The complainant stated in the hearing that her husband was healthy in 1995 when he took the policy. The Development Officer who helped in reviving the policy in 2001 was her husband's relative and it was he who went ahead with getting the policy revived while she preferred taking a new policy. The Insurer stated that the life assured was not keeping good health from 1996 and he had not disclosed this either while reviving in 1997 or in 2001. The suppression of this vital information misleads them while assessing risk. Hence they had repudiated the claim.

The Insurer has clear medical evidence to prove suppression. But regarding intention to defraud is not clear as the Development Officer of the Insurer who has witnessed the Personal Statement of Health of the life assured is also the relative of the life assured. So the Forum awards Rs.15000/- as ex-gratia in full settlement of the claim.

The complaint was partly allowed.

**Chennai Ombudsman Centre
Case No. IO (CHN)/21.05.2208**

**Smt.R. Chellam
Vs**

Life Insurance Corporation of India

Award dated 4.9.2006

Shri. P.Ramamorthy had insured his life with L.I.C. of India for Rs.50,000/- on 22/02/2000. He revived the lapsed policy on 09.09.2003 by submitting a Declaration of Good Health. The Life assured died on 03.02.2005 due to HIV Disease. Smt. R. Chellam, the complainant and the nominee under the policy, preferred the death claim. The Insurer repudiated the claim as the life assured had withheld the correct state of his health, while reviving the policy.

Both the parties were heard. The complainant stated that her husband was healthy when he took the policy in 2000. They came to know of his HIV disease only when she was first found HIV +ve while being routinely screened during her pregnancy. The Insurer said that repudiation was done as the life assured suffered from AIDS, prior to revival of the policy. The Civil surgeon of Government HIV Hospital Namakkal has given a letter that Life Assured might have been suffering from AIDS at least 30.01.2003.

On going through the papers, the Forum found that the Insurer has got only some sketchy evidence and also they have greatly erred in disallowing the paid-up value which the policy had acquired before revival. The Forum found it fit to award Rs.20,000/- as full and final settlement of the claim under the policy on an ex-gratia basis.

The complaint was partly allowed.

**Chennai Ombudsman Centre
Case No. IO (CHN)/21.08.2197**

**Shri K.Kantharaj
Vs**

Life Insurance Corporation of India

Award dated 7.9.2006

Smt.K.Puvitha took a LIC policy for Rs.1,01,000/- on 28.02.2004. She died on 16.07.2005. Her husband Shri K.Kantharaj preferred the claim to the Insurer. The Insurer rejected to pay the claim stating that had the life assured withheld correction information regarding her health at the time of taking the policy. Shri K.Kantharaj appealed to this Forum seeking redressal.

Both the parties were called for the hearing. The complainant stated that he was an ex-serviceman. He owned cows and his wife helped him. He admitted that his wife, the life assured took treatment from Christian Medical College, Vellore in 1999. Afterwards she had no major problem. The Insurer informed that the life assured had suffered from Dilated Retro Aselor Duct in left Breast and Fibroadenomosis in left breast and taken treatment from CMC, Vellore. The Ultrasound taken in 1999 revealed "possible ductal cancer". The investigators also revealed that the life assured was not having her own income and there was no genuine need for insurance.

On going through all the papers, the Forum feels that though she had died of a cause not related to the illness suppressed, she should have revealed the treatment taken for a breast related disease possibly cancer. By denying the whole information regarding her health she had misled the Insurer in insuring her as standard life. The Forum finds no need to interfere with the Insurer's decision.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. IO (CHN)/21.02.2204
Smt.T.Chinnaponnu
Vs
Life Insurance Corporation of India

Award dated 8.9.2006

Shri S.Tamilvanan took a LIC policy for Rs.25,000/- on 29.09.1999. He revived the lapsed policy on 22.12.2004 by submitting the required premium and a Personal Statement of Health. He died on 24.02.2005. Smt.T.Chinnaponnu, the complainant and the nominee applied to the Insurer, for the death benefits. The Insurer turned down her request as they had proof that the life assured had liver disease and for which he was treated in September 2004. The life assured had however not disclosed this in the Personal Statement of Health given by him on 22.12.2004.

In the hearing, both the parties were heard. The complainant stated that her husband was working as a coolie and he discontinued payment of premiums because they did not have enough money. When he was sick and in the hospital, she was advised to have the policy revived. She took loan to revive the policy. She did not expect her husband to die so early. She admitted that her husband took treatment for Liver Disease in Tamilnad Hospitals and then in Balaji Hospitals, Chennai. The Insurer stated that they had obtained from Balaji Hospitals the information that the life assured was treated from 02.12.2004 to 12.02.2004 for Ethanol and HBV related Cirrhosis Liver with activity, Hepatic Decompensation, Coagulopathy, Portal Hypertension Grade I Encephalopathy, Spontaneous Bacterial Peritonitis – all related to his liver disease. This period was prior to the date of revival.

As the complainant herself admits that her husband took treatment for liver diseases before the date of revival. The Insurer has also obtained the relevant hospital records. The Forum finds no need to interfere with the Insurer's decision.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. IO (CHN)/21.02.2228
Smt.Tharageswari
Vs

Life Insurance Corporation of India

Award dated 14.9.2006

Shri Lajapathy @ Veeran who was working in Railways took an LIC policy for Rs.1 Lakh on 20.06.2003. He died on 27.05.2004. His wife, Smt.Tharageswari, as nominee, applied for payment of death claim under the policy. The Insurer rejected her claim as the life assured had not disclosed his illness of pulmonary TB diagnosed in 2001 and that of AIDS diagnosed in early 2003 in the proposal for insurance signed by him on 20.06.2003. Unhappy with the Insurer's decision Smt.Tharageswari appealed to this Forum.

Both the parties were heard in a hearing. The complainant sent her representative as she was a handicapped person. The representative said that the death of the life assured was sudden and that the life assured had lost 10 to 15 kgs. weight before his death. The Insurer informed the Forum that the life assured died within 10 months of taking the policy. The doctor with the Railways Hospital had certified that the life assured was suffering from Pulmonary TB in 2001 and AIDS since early 2003. The life assured had not disclosed this in his proposal dated 20.06.2003. There was clear suppression of material facts and so they had repudiated the claim.

There is nexus between cause of death and illness suppressed. The Forum found no need to interfere with the Insurer's decision.

The complaint was dismissed.

Delhi Ombudsman Centre
Case No. LI/AJ-132/05-06
Smt.Dhapu Bai
Vs

Life Insurance Corporation of India

Award dated 22.6.2006

The complaint was heard on 14.06.2006 at Jaipur. The complainant, Smt. Dhapu Bai, was represented by Shri Ashok Gurger. L.I.C. of India was represented by Shri P.K.Jangid, Divisional Manager, Ajmer.

Smt. Dhapu Bai lodged a complaint with this Forum through her advocate on 18.05.2005 that she has not received the death claim under policy No.184912355 taken by her husband, late Shri Gopal Lal from L.I.C. of India. L.I.C. of India had repudiated the claim on 30.03.2005 on the grounds that the deceased life assured, Shri Gopal Lal, was a chronic patient of HT and COPD and had MI attack in 1994 and he was suffering since then for the said ailment as per the BHT NO.4865/001 dated 30.06.2004 of MBS Hospital, Kota. The history of old ailment was not disclosed in the proposal form and, therefore, claim was repudiated on the grounds of suppression of material facts.

The representative of the complainant at the time of hearing contested that they were not aware of the suffering of the deceased in 1994.

Since there has been concealment of material facts at the time of submitting the proposal for taking a life policy by the deceased on 28.03.2004 and had expired due to heart disease just after three months and 10 days from taking the insurance policy, I am in agreement with the decision taken by L.I.C. of India in repudiating the death claim under the above said policy.

The complaint is disposed of finally.

Delhi Ombudsman Centre
Case No. LI/AJ-18/05-06
Smt.Sushila Devi
Vs
Life Insurance Corporation of India

Award dated 22.6.2006

The complaint was heard on 14.06.2006 at Jaipur. The complainant, Smt. Sushila Devi, was represented by deceased's uncle Shri Hansraj Yadav. L.I.C. of India was represented by Shri P.K.Jangid, Divisional Manager, Ajmer.

Smt. Sushila Devi had lodged a complaint with this Forum on 21.03.2005 that death claim under policy No.182546471 was not paid to her by L.I.C. of India taken by her husband, late Shri Gaj Raj Singh under Salary Savings Scheme from Nathdwara Branch. The claim was rejected by L.I.C. of India on 28.08.2004 on the grounds that while submitting the proposal form by the deceased on 15.06.2001, he declared himself medically fit. However, he was suffering from Tuberculosis, HIV and was on medical leave for 15 days from 07.09.1998 to 21.09.1998, from 14.06.2000 to 30.06.2000(17 days) and from 20.07.2000 to 21.08.2000. Since he had not disclosed the material facts, L.I.C. of India repudiated the claim under the above said policy.

At the time of the hearing, the deceased's uncle disclosed that the deceased, Shri Gaj Raj Singh was a traffic constable and as a result of his duties, he had been affected by Tuberculosis and this being the job hazards, the claim should be considered on compassionate ground and the widow of the deceased be paid the sum assured at least.

After hearing both the parties and after careful consideration of the facts of the case, I uphold the decision taken by L.I.C. of India in repudiating the claim of the complainant, Smt. Sushila Devi on the grounds of non-disclosure of material facts that the life assured under the above said policy was suffering from Tuberculosis and he had taken leave periodically for the treatment of the same.

The complaint is disposed of finally.

Delhi Ombudsman Centre
Case No. LI/DL-III/371
Shri Atul Sobti
Vs
Life Insurance Corporation of India

Award dated 31.8.2006

The complaint was heard on 10.08.2006. The complainant, Shri Atul Sobti, failed to turn up. He also did not turn up on 12.05.2006. L.I.C. of India was represented by Smt. Anita Ahuja, Administrative Officer.

Shri Atul Sobti lodged a complaint with this Forum on 02.02.2005 that his mother died after illness at Apollo Hospital, New Delhi on 21.05.2004. He had submitted all the relevant documents relating to the claim for his deceased mother. On enquiry with LIC officials regarding delay in settling the claim, he was advised that his mother died within three years of the policy commencement and they were investigating the matter.

L.I.C. of India, vide their letter dated 08.03.2005, informed this Forum that the claim of Shri Atul Sobti was repudiated on the grounds of concealment of material facts regarding her health at the time of effecting the assurance. As per their investigation into the claim, they have indisputable evidence to prove that life assured was suffering from Diabetes, hypertension, Angio Sarcoma right thigh with central Pontine Myelinosis with Sepsis with Ch.Atual Fibrillation for which she was under treatment since 1997. The decision of the Competent Authority was duly conveyed to the complainant, vide their letter dated 25.01.2005. Despite the above facts, however, L.I.C. of India had decided to pay an ex-gratia payment of Rs.67067/- to the claimant.

L.I.C. of India, vide their letter dated 08.05.2006, has informed that Shri Atul Sobti has accepted the ex-gratia payment made on 18.05.2005 on receipt of discharge voucher No.5170 duly completed from the nominee, Shri Atul Sobti. The said cheque No.320842 dated 18.05.2005 has also been encashed on 27.05.2005.

Shri Atul Sobti having not been present on two dates, that is, on 12.05.2006 and 10.08.2006, and on examination of the papers submitted by L.I.C. of India, it is observed that although late Smt.Mohini Sobti, deceased had not disclosed that she was suffering from Diabetes, hypertension, Angio Sarcoma right thigh with central Pontine Myelinosis with Sepsis with Ch.Atual Fibrillation for which she was under treatment since 1997, L.I.C. of India has taken a lenient view by granting an ex-gratia amount of Rs.67067/- to the claimant of the life assured and I find the amount paid to be reasonable. As such, the grievance of Shri Atul Sobti is dismissed.

There is no further relief to be granted to the complainant.

The complaint is disposed of finally.

Delhi Ombudsman Centre

Case No. LI/DL-1/381

Ms. Latika

Vs

Life Insurance Corporation of India

Award dated 31.8.2006

The complaint was heard on 28th July,2006. The Complainant, Ms. Latika, was present. L.I.C. of India was represented by Ms. Ranjana Kumar, Manager(Claims) and Shri Rakesh Bajaj, Administrative Officer(Claims).

Ms.Latika lodged a complaint with this Forum on 15.10.2005 that her mother late Smt. Chander Kanta died in 1999 and she was working in All India Institute of Medical Sciences Hospital on a senior post. She had two life insurance policies No.112280501 and 112459760. L.I.C. of India has not settled death claim for the last four years in respect of the above said policies under which she is a nominee. L.I.C. of India, vide their letter dated 30.01.2006, informed that they have paid Rs. 50,330/- vide cheque No.900929 dated 17.01.2006 against policy No.112459760.

Ms. Latika informed this Forum, vide her letter dated 26.06.2006, that she had served a legal notice to L.I.C. of India through her advocate, Shri Hilal Haider, in respect of Policy No.112280501 and requested this Forum to settle the claim. On examination of the legal notice, it has been observed that L.I.C. of India, vide their letter dated 17.02.2006, informed Ms. Latika that the claim under Policy No.112280501 has been rejected on account of the deceased having withheld material information regarding her health at the time of effecting the assurance.

At the time of hearing, Ms. Latika informed this Forum that initially her letter dated 15.10.2004 was misplaced by this Forum and subsequently the same was submitted by her again on 14.02.2005. She further contested that her mother had taken Policy No.112280501 on 15.10.1998 for Rs.25000/-. She has been paying the premium regularly. After her death, L.I.C. of India denied to pay the claim on account of concealment of material information at the time of taking the policy. She, however, maintained that her mother was working in All India Institute of Medical Sciences at a senior post did not have any major illness which affected the claim and was only known to her in December,1999.

L.I.C. of India contested that Smt. Chander Kanta, the life assured, was diagnosed for Ideopathic Throbocycopemic Perpusera (ITP) in the month of September, 1998 before she took the policy for which they had obtained the discharge summary from All India Institute of Medical Sciences. She was being treated for this illness from November, 1998. There was a deliberate misstatement by Smt.Chander Kanta specially so, she had known about her health and its implications since she was working in AIIMS on a senior post.

On perusal of the AIIMS Discharge Summary of Haematology Department, it has been established that Smt. Chander Kanta was diagnosed of Ideopathic Throbocycopemic Perpusera (ITP) in the month of September, 1998 for which she was being treated. She was also admitted in All India Institute of Medical Sciences (AIIMS) on 20.11.1998 and discharged on 28.11.1998. The life assured, Smt. Chander Kanta, was very well aware of her illness before taking the insurance policy. L.I.C. of India has repudiated the claim of Ms. Latika on the grounds of concealment of facts by the life assured, Smt. Chander Kanta, at the time of taking the insurance.

I, therefore, uphold the decision taken by L.I.C. of India in repudiating the claim of Ms. Latika under the policy No.112280501 on the grounds of concealment of material facts by the life assured, Smt. Chander Kanta, at the time of affecting the insurance.

The complaint is disposed of finally.

Delhi Ombudsman Centre
Case No. LI/BK-90/05-06
Smt. Neelam Kanwar
Vs
Life Insurance Corporation of India

Award dated 31.8.2006

The complaint was heard on 21st August, 2006 at Jaipur. The complainant, Smt. Neelam Kanwar, was present. L.I.C. of India was represented by Shri K.C.Sharma, Manager(Claims).

Smt. Neelam Kanwar had lodged a complaint with this Forum on 05.05.2005 that her husband late Shri Govind Singh Sekhawat had taken a life policy No.501237162 for a sum assured of Rs.5 lakhs from L.I.C. of India, Bikaner Division. Her husband expired

on 05.02.2004. She filed a death claim with L.I.C. of India along with all relevant documents. L.I.C. of India informed her, vide their letter dated 21.03.2004, that the life assured, Shri Govind Singh Sekhawat, was suffering from Jaundice before taking the insurance policy.

The complainant mentions that her late husband was not suffering from any disease and she should be paid the claim.

L.I.C. of India, vide their letter dated 08.11.2005, informed this Forum that they had repudiated their liability under the above said policy due to concealment of material fact. The policy holder was suffering from Jaundice (In August, 2003) before submitting the proposal on 30.09.2003.

At the time of hearing, Smt. Neelam Kanwar, contested that her husband was not suffering from any disease and she should be paid the claim. L.I.C. of India contested that the life assured, late Shri Govind Singh Sekhawat was suffering from Jaundice (in August, 2003) before submitting the proposal to L.I.C. of India. He had concealed the material information at the time of submission of the proposal. Further, they had submitted a letter dated Nil from Smt. Neelam Kanwar that her husband was suffering from AIDS and had requested to consider the claim on compassionate grounds. In this regard, they have produced the photocopy of S.M.S.Medical College and Hospital, Jaipur wherein they clearly mentioned that late Shri Govind Singh Sekhawat was suffering from AIDS which is an exclusion under the policy.

After hearing both the parties and after careful consideration of the facts of the case, it is established that late Shri Govind Singh Sekhawat was suffering from Jaundice (in August, 2003) before taking the insurance. He has also been a patient of HIV+ as per the S.M.S.Medical College and Hospital, Jaipur report dated 30.01.2004.

Since late Shri Govind Singh Sekhawat did not disclose the material information in the proposal form, L.I.C. of India has rightly repudiated the claim under the policy No.501237162.

I uphold the decision taken by L.I.C. of India in repudiating the claim of Smt. Neelam Kanwar.

The complaint is disposed of finally.

**Delhi Ombudsman Centre
Case No. LI/DL-I/163/05-06
Smt.Nirma Devi**

Vs

Life Insurance Corporation of India

Award dated 7.9.2006

The complaint was heard on 04.09.2006. The complainant, Smt. Nirmla Devi, was present, accompanied by her brother, Shri Mahesh Kumar and her son, Shri Manoj Kumar. L.I.C. of India was represented by Smt. Ranjana R. Kumar, Assistant Divisional Manager and Shri Rakesh Bajaj, Administrative Officer.

Smt. Nirma Devi lodged a complaint with this Forum on 27.06.2005 that her late husband Shri Ishwar Dev Prasad Yadav died on 11.08.2003. She had lodged a claim with L.I.C. of India for Rs.one lakh against policy No.113051158 with Branch Unit119, Delhi against which she has not received any payment.

L.I.C. of India, vide their letter dated 08.12.2005, informed this Forum that Death claim on the life of deceased life assured Shri Ishwar Dev Prasad Yadav has been repudiated

on the ground that the policy was revived on 03.07.2003 whereas the deceased life assured was on medical leave for 31 days from 23.06.2003 to 23.07.2003. This was communicated to the claimant, Smt. Nirma Devi, on 18.05.2005.

At the time of hearing, this Forum pointed out that on receipt of the communication received from L.I.C. of India, Smt. Nirma Devi wrote a letter to the Divisional Manager, L.I.C. of India which was received on 16.11.2003 (Photocopy of the date is not clear) wherein she had acknowledged the receipt of the letter dated 18.05.2005 rejecting the claim of her on the grounds that the policy was revived on 03.07.2003 whereas the deceased life assured was on medical leave for 31 days from 23.06.2003 to 23.07.2003. In that letter, she has drawn the attention of the Divisional Manager that her late husband was on ordinary leave during that period for which she has submitted the official records which could be verified from the concerned office. The copy of this letter dated 09.05.2005 had already been sent to their office, the details of which are as follows:

Ordinary Leave 23.06.2003 to 11.07.2003 (19 days)

Sick Leave 12.07.2003 to 23.07.2003 (12 days)

She has requested the Divisional Manager to reexamine the case. On enquiry by this Forum from the representatives of L.I.C. of India as to what action the Corporation took on this letter, the representatives could not make any observations since it appears that no action has been taken by the Corporation.

At the time of hearing, the Forum enquired from Smt. Nirma Devi how her husband died. She disclosed before the Forum that her husband had taken one month's leave and had gone to his village to construct a house after selling some property in Delhi and during the time of construction, he had fallen ill from 12.07.2003 to 23.07.2003 for which he had submitted his medical fitness certificate to Income Tax Department where he was employed. After joining his duties, he suddenly fell ill and was admitted in Jain Hospital, Delhi where he was treated for fever and jaundice.

After hearing both the parties and after careful consideration of the facts of the case, it is observed that L.I.C. of India had repudiated the claim of Smt. Nirma Devi on the basis of the letter dated 18.03.2004 received from Shri V.K.Garg, Drawing and Disbursing Officer, Office of CIT, New Delhi wherein it is mentioned that late Shri Ishwar Dev Prasad Yadav who was working as Tax Assistant in this office has claimed medical leave for 31 days, that is, from 23.06.2003 to 23.07.2003. As his application for medical leave is not available, the copy of the relevant portion of the Service book is enclosed. L.I.C. of India further investigated the matter and as per Jain Hospital report dated 13.12.2004, late Shri Ishwar Dev Prasad Yadav was admitted with fever and jaundice (gradually increasing) for 7 days, Vommitings and breathlessness for 4 days. During hospitalisation patient was found to be in state of chronic renal failure. The patient was treated under the Diagnosis – Febrile illness with Hepatitis with renal failure. The patient was intubated and ventilated due to inadequate respiratory efforts and deteriorating condition. The patient had sudden cardio-respiratory arrest on 11.08.2003 at 1.00 a.m. and in spite of all efforts patient could not be revived and declared dead at 1.30 a.m.

On examination of the representation submitted to Divisional Manager L.I.C. of India, it was observed that Office of the Drawing and Disbursing Officer, CIT, New Delhi has issued a letter F.No.DDO/CIT-1/2005-06/19 dated 09-10/05/2005 wherein they had a clarification as follows:

“That as per their letter dated 18.03.2004 on the subject, it was informed that application for medical leave of late Shri Ishwar Dev Prasad was not available and to treat the leave claimed by him as Medical Leave for 31 days, that is, from 23.06.03 to 23.07.03. A copy of Joining Report submitted by late Shri Ishwar Dev Prasad, Tax Assistant along with revised Leave Application from 23.06.2003 to 11.07.2003 for 19 days – Earned Leave and from 12.07.2003 to 23.07.2003 for 12 days – Medical Leave was traced out. Along with the same, he had also submitted a fitness certificate. According to this application, a correction was also made in his Service Book. They had enclosed the copies of the relevant documents.

On examination of the document submitted by the Drawing and Disbursing Officer, CIT, New Delhi, it was observed that as per the fitness certificate issued by Dr.Sushil Kumar Singh, R.M.P., Dasaratpur P.O., District Munger (Bihar) mentions that “Shri Ishwar Dev Prasad Yadav was suffering from fever and he was under his treatment from 12.07.03 to 23.07.2003. Now he is able to attend his duties.” Since this medical certificate does not show that late Shri Ishwar Dev Prasad Yadav was suffering from Jaundice or any other major disease, I do not agree with the repudiation of the claim by L.I.C. of India since they have not taken into consideration the subsequent letter received from Drawing and Disbursing Officer, CIT, New Delhi dated 09-10.05.2005. Shri Ishwar Dev Prasad Yadav had revived his policy on 03.07.2003 as such his being on Sick Leave from 12.07.2003 to 23.07.2003 was subsequent to the revival of the policy and the disease was only renal failure and not jaundice which he subsequently suffered and was hospitalized for the same at Jain Hospital, New Delhi and had died. The employer also having debited the leave along with the revised application goes to prove that late Shri Ishwar Dev Prasad Yadav did not suffer from any major disease at the time of revival of the policy.

In view of the above mentioned representation which establishes that late Shri Ishwar Dev Prasad Yadav was not ill prior to revival of the policy. I, therefore, pass the Award that L.I.C. of India should pay the survival benefits under the policy No.113051158 to Smt. Nirma Devi.

The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

**Delhi Ombudsman Centre
Case No. LI/ICICI-17/06-07
Smt.Vimla Sharma**

Vs

ICICI Prudential Life Insurance Company Limited

Award dated 22.9.2006

The case was heard on 15th September,2006. The complainant, Smt.Vimla Sharma, was represented by Shri Lalit Sharma, Brother-in-law. The Insurance Company was represented by Smt.Vedika Thorat, AVP and Shri Sarang Gokhale, Senior Manager-underwriting.

Smt. Vimla Sharma lodged a complaint with this Forum on 27.04.2006 that her son Shri Pankaj Sharma had taken a policy No.01063547 from ICICI Prudential Life Insurance Company Limited, Jaipur. Shri Pankaj Sharma had expired on 15.09.2005. She has been corresponding with the Insurance Company for the past six months but they are demanding documents from time to time. The intention of the Insurance Company, as is evident since the beginning of the case, is that her son had not disclosed his illness at

the time of getting himself insured with them. She stated that her son did not have any kind of illness at the time of taking insurance. He was hale and hearty and was carrying out his business diligently. Suddenly he fell ill and he got himself medically treated but during the process of the treatment, he died suddenly. The reply to question No.28 (a), 29 (c), 29 (e) and 29 (f) at the time of filling the proposal form were correct. There was no lie in the statement. The life assured was not getting any medical treatment at the time of taking life insurance. She requested that death claim may be settled.

The Insurance Company, vide their letter dated 12.06.2006, informed the Forum that Shri Pankaj Sharma, the life assured, had submitted a proposal on 26.08.2004 for the ICICI Pru Life Time Unit linked plan of insurance which is an open ended plan for a Basic Sum Assured of Rs.100000/- and an Accident and Disability Benefit Rider Sum Assured of Rs.100000/-. The life assured was 28 years of age at the time of taking the insurance policy. A claim was lodged by the complainant on 15.10.2005 intimating about the death of the life assured. The life assured expired on 15.09.2005, that is, within 13 months from the policy issuance date, due to 'Cardio Respiratory Arrest'secondary to Chronic Renal Failure.

The Insurance Company further stated that the life assured deliberately misled the Insurance Company by concealing material information regarding his health while filling up the proposal form which is the basis for underwriting for life insurance. In the proposal form filled in and duly signed by the life assured, the answers to Questions No.29(c),29(e)(ii) and 29(f) was given in negative. A certificate was provided from Dr.S.K.Pareek dated 04.02.2005 which states that Shri Pankaj Sharma, the life assured, 27 years, Hypertension since 1.5 years, positive family history for hypertension, Blood Pressure reading 180/120, Anemia +, creatinine 3.0 Lipid Profile LDL 149, Calcium 9.0, etc. Further Dr.Pareek prescribed drugs for controlling hypertension and calcium and was also suggested renal biopsy. The Insurance Company has also obtained contents from the history and physical examination sheet from S.M.S.Medical College and Hospital, Jaipur dated 16.02.2005 that Shri Pankaj Sharma was admitted in Nephropathy at 11 a.m. on 16.02.2005 with complainants of general weakness and nausea on and off and pain in abdomen on and off with vomiting on and off, all since six months. Patient on antihypertensives since 1.5 years, History of hypertension (+), Blood Pressure 170/100, provisional diagnosis : Hypertension Nephrotic Syndrome, Moderate Renal Failure From the Certificate from Dr.L.C.Sharma, Nephro Unit II, S.M.S.Hospital, Jaipur dated 13.12.2005 stated that the life assured was a known case of Chronic Renal Failure(CRF), Endstage Renal Disease(ESRD) and was on dialysis since February 16,2005 which is within six months of date of policy issuance. From the Admission and Discharge Record from S.M.S. Medical College and Hospital dated 15.09.2005, under provisional diagnosis it is mentioned known case of Chronic Renal Failure/End Stage Renal Failure and the cause of death Cardio Respiratory Arrest. The Insurance Company further stated that the life assured had deliberately mis-stated and withheld material facts while filling the proposal form by not disclosing the true and correct information. The Life Assured was suffering from Hypertension, was on anti-hypertensive drugs, had a positive family history for hypertension, also complaints of nausea, vomiting and pain in the abdomen. The condition of hypertension, at such a young age was a symptom of the underlying condition of Chronic Renal Failure, which the life assured was eventually diagnosed of. The Life Assured was not in good health at the time of submitting the proposal form. The Insurance Company was denied of the opportunity to assess the Life Assured medically. Had we known about the medical history of the Life Assured, the Company

would have under no circumstances issued the policy under non medical category. In view of the pre-existing condition of Hypertension and treatment for the same and in accordance with Section 45 of the Insurance Act, the claim was rightly repudiated by the Insurance Company due to suppression of material facts by the Life Assured and the same was conveyed to the Claimant, Smt.Vimla Sharma, by their letter dated 03.04.2006.

At the time of hearing, Shri Lalit Sharma disposed that Shri Pankaj Sharma was a young lad of 28 years of age and was in good health prior to hospitalization and was carrying out his business effectively. He did not suffer from any disease whatsoever. He had correctly filled in the proposal form, as such, the claim maybe paid to the nominee of the life assured.

The representative of the Insurance Company drew the attention of this Forum to the certificate of Dr.S.K.Pareek dated 04.02.2005 where it is mentioned that Shri Pankaj Sharma was Hypertensive since 1.5 years, with positive family history for hypertension, blood pressure reading 180/120 and was Anemia +. Since late Shri Pankaj Sharma was on medication for Hypertension for the past 1.5 years and had the Insurance Company known about it, they would get the medical examination done before accepting the proposal. The Life Assured has concealed the material fact as per question No. 29(c),29(e)(ii) and 29(f) and, therefore, the claim has been rightly repudiated.

After hearing both the parties and on examination of the papers submitted, it is observed that late Shri Pankaj Sharma was a patient of Hypertension since 1.5 years and had positive family history for hypertension, blood pressure reading 180/120 and was Anemia + as per the certificate of Dr.Pareek and further confirmed by Dr.L.C.Sharma from S.M.S.Medical College and Hospital, Jaipur dated 13.12.2005. Being a patient of Chronic Renal Failure and Endstage Renal Disease as per the admission and discharge record of S.M.S.Medical College and Hospital, Jaipur, Late Shri Pankaj Sharma has concealed material information while taking the life insurance policy, I uphold the decision taken by ICICI Prudential Life Insurance Company Limited in repudiating the claim of Smt. Vimla Sharma.

The complaint is disposed of finally.

Guwahati Ombudsman Centre
Case No.21/01/091/L/05-06/GHY (LIC).
Smt. Rama Devi Sharma
Vs
Life Insurance Corporation of India

Award dated 08.05.2006

Brief Facts leading to complaint : The Complainant dissatisfied with the decision of repudiation of the death –claim appealed before Claim Review Committee . There has been no response from the authority.

Opponent's views : Insurer contends that the D.L.A. under-stated his age by 8 years at the time of submitting the proposal and had the under-statement of age not been there the underwriting requirements would have been different. It was further contended by the insurer that the D.L.A. was suffering from acute skin disease for 5 to 6 year preceding his death which was also not disclosed in the proposal forms. Hence, death claim had to be repudiated on the grounds of suppression of material facts etc.

Issue Involved : Whether repudiation is supported by any valid reason.

Decision & Reasons : The Claim Enquiry Report in this context prepared by the insurer/LICI discloses that the alleged D.L.A. never visited Tinsukia town of Assam to submit the proposal. He was always residing in Rajasthan and was not having any income of his own, but was dependant on the income of others including his son residing and working at Tinsukia. Interestingly, in the proposal form, 'Present Occupation' of the proposer has been mentioned as 'Business and Agriculture' and under the heading of 'Exact Nature of Duties' it was mentioned as 'dealing and cultivation for Agricultural products'. Under the heading 'Source of Income' it was mentioned as 'Business and Agriculture' giving an annual income of Rs.50,000/-.The Enquiry Report obtained has revealed just opposite facts and there is not even a hint from anywhere that the proposer had any agricultural property in and around Tinsukia Town of Assam (in support of those statements). Thus, it is doubtful whether the proposer acted in Utmost Good Faith. It was also revealed during enquiry that two school certificates, one from Rajasthan and other from Dibrugarh of Assam, were submitted in support of age proof. One transfer certificate was procured from Rashtriya Hindi Shiksha Sadan, Jalannagar, Dibrugarh (Assam) and date of birth was hand-written separately in this certificate which appears to be unusual and beyond the printed proforma. The other certificate shown to the Jorhat Divisional Office was from Govt. Primary School, Maleeda, Dist.Jaipur (Rajasthan) under the verification of the agent Smt. S. Devi.

The Enquiry Report suggested that the death-claim was a 'fraud', although the ground of repudiation has been shown as under-statement of age and non-disclosure of skin disease while submitting the proposal form. It will be quite interesting to note that different addresses of the proposer were noted on different occasions. In Proposal Form the address of communication was noted down as –

Sri Madan Lal Sharma
C/o.Gaurav Steel Enterprises
Udyog nagar : Tinsukia.

In the 1st premium receipt and policy same address was recorded. But claim form 'A' and 'B' the addresses were noted as follow :

Village Meeleda P.O. Naraina
Dt. Joypur (Rajasthan).

Complaint before Ombudsman was lodged from the following address -

Co. M/s H.P. AgarwalRani Market :
Devi – Pukhari Road
PO. Tinsukia (Assam).

Appeal to Zonal Manager, Kolkata was also from the same address of C/o. M/s. H.P. Agarwala. Nothing is shown as to when and under what circumstances the addresses had to be changed.

Order : It is a doubtful case/claim and this authority is reluctant to interfere.

Guwahati Ombudsman Centre
Case No.21/01/090/L/05-06/GHY (LIC).
Smt. Chandana Choudhury
Vs
Life Insurance Corporation of India

Award dated 22.05.2006

Facts leading to grievance of complainant : The complainant states that the death claim was repudiated by LIC and her representation also brought no result hence this complaint.

Counter Statements from the Opposite Party/Insurer :

Contesting the claim the LIC submits, amongst others, that the cause of death was ethanol related disease and accordingly the claim had to be repudiated for suppression of material facts etc.

Issue : Whether stray comment of doctor regarding last treatment can be basis of repudiation of death-claim.

Decision & Reasons : The only material (s) based on which the claim was rejected/ repudiated is answer to the question 5(b) in claim form 'B' (Medical Attendant's Certificate) relevant part of which is reproduced as below :- (Form No.3784)

"5. a) * * *

b) Have you any reason to suppose suspect b) H/o. Ethanol that disease was in his case caused or to abuse for or aggravated by intemperate habits ? past 7 years.

The discharge certificate issued by Guwahati Medical College Hospital (GMCH) has mentioned the cause of death as follows :-

"CAUSE OF DEATH

Immediate Cause

State the disease, Injury or complication (a) VARICEAL which Caused death. This does NOT BLEED. mean the mode of dying, as heart Due to (or as failure respiratory failure etc. a consequence of)

Antecedent Causes

Morbid condition if any giving rise to (b) CHRONIC LIVER the above cause stating the DISEASE Due to (or UNDERLYING condition last. as a consequence of).

The policy was in continuation for 1 year 11 months 7 days as per the 'self-contained note' of the LIC and internal document of "Notes and Orders" shows that but for this particular opinion of the Doctor the claim would have been allowed. The statement 'history of ethanol abuse for last 7 years' appears to be a 'flying comment' or stray remark without sound foundation and the source of such information was not disclosed. The language used in drafting question No. 5 (b) aforesaid also requires attention. It is stated that person (doctor) answering the question is to record 'any reason to suppose or to suspect', i.e., the central point is to give 'reasons' for any such supposition or suspicion etc.

Although 'chronic liver disease' (CLD) may result from consumption of alcohol, in the present case there is no clear cut or definite evidence also that the D.L.A. died of 'chronic liver disease related to ethanol'. In connection with question regarding cause of death it is clearly mentioned in the discharge certificate that variceal bleed was the primary cause and the secondary cause was chronic liver disease and nothing more. Usually in such a situation discharge certificate generally mentions – 'CLD (ethanol

related)'. Incidentally, in the claim enquiry report, the Asstt. Branch Manger (Sales), Shri Indrajit Dutta Roy has categorically opined that the claim is genuine. We cannot also overlook the claim enquiry report without recording just ground to do so, particularly in the background as aforesaid. Therefore, we are of the opinion that the complainant needs a sympathetic consideration of her claim particularly when it appears that the policy was procured by a person of low income group in order to make future provision for the family and there is no just ground to ignore the Claim Inquiry Report. He was admitted into hospital with symptoms of 'abdominal distension, blood vomiting x 3 days and the symptoms were observed by the deceased 6 months prior to date of admission. Otherwise also considering the particular facts and circumstances of this claim, the Ombudsman would like to exercise power under Rule 18 of the R.P.G. Rules to grant ex-gratia relief as there appears to be no evidence of practice of fraud, the sum assured being only Rs.26,000/- with triple benefit.

Award : It is directed that the LIC will make payment of the sum assured with triple benefit provided the complainant sends her letter of acceptance of this award as the full and final settlement of her claim within 1 month from the date of receipt of copy of this judgement and award.

**Guwahati Ombudsman Centre
Case No. 24/01/078/L/05-06/GHY (LIC).
Smt. Bharati Deka
Vs
Life Insurance Corporation of India**

Award dated 01.06.06

Brief Facts leading to complaint : The complainant here is the mother of the deceased life assured (D.L.A.), Late Nripen Deka. The complainant states that her son Late Nripen Deka purchased policy in question for sum assured of Rs.50,000/-. That on 25.09.97 he was kidnapped and subsequently killed by ULFA Extremists. That after his death her husband as nominee presented the death claim before LIC (GBO-1) and received the payment of the sum assured of Rs.50,000/- on 23.04.02 but accident benefit was refused. That in spite of representation and submission of documents, nothing was done by the LIC hence this complaint.

Opponent's views : The contention of the LIC/insurer, inter alia, is that as per Police Report dated 25.09.99 issued by Officer in charge of Baihata Police Station, Nripen Deka, the D.L.A. was member of ULFA who surrendered in 1990 and thereafter, got employment in the Police Department as Constable. That on 24.09.97, the D.L.A. came to his home and next day while he was returning to Guwahati, he was abducted by the unknown ULFA Extremists from Muktapur and was killed subsequently. That such abduction and killing was related to his past political activities and that there was provocation which led to his murder and therefore accident benefit was not payable as per rule.

Issue : Whether prescribed conditions for denial of liability under condition 10 (b) of Policy is available to insurer.

Decision & Reasons : From the contents of the 'self-contained note' and the submission of the insurer, it is seen that there is no dispute about the kidnapping and murder of the D.L.A. and sum assured has already been paid. It is also not disputed that at the time of his kidnapping /death the D.L.A. was an employee of the Police Department as a Constable. So there cannot be any question of provocation on his part

leading to his killing as contended by the insurer. At least there is absolutely no evidence of any type to suggest or to establish any case of provocation from his side to cause the death of the D.L.A. and we are not in a position to accept such views expressed by the insurer on the question of provocation. The connected charge sheet submitted by the police shows that it is a clear case of alleged kidnapping and murder of a person and there was no case of provocation from his side which caused his death.

The LIC has categorically admitted the death on the basis of death certificate submitted and had already released the sum assured. We find no basis whatsoever in the argument placed before us in order to refuse the accident benefit. The relevant provision in the policy in connection with payment of additional sum equal to the sum assured under the policy is provided under Condition 10(b) of the policy. On a plain reading of the same (from the copy of the concerned policy forwarded), we find that there is absolutely no mention of death by provocation etc., in support of the contentions raised by the insurer.

Award : It is hereby directed that the accident benefit is to be released in favour of the present complainant, who is mother and legal representative of the D.L.A., in absence of the nominee and the father Harnath Deka who is already dead.

Guwahati Ombudsman Centre
Case No. 21/01/074/L/05-06/GHY (LIC).
Smt. Putuli Rabidas
Vs
Life Insurance Corporation of India

Award dated 28.6.2006

Brief facts leading to complaint : The complainant Mrs. Putuli Rabidas states that her husband, Nandu Rabidas, D.L.A. (Deceased Life Assured) was holder of three L.I.C. policies. The D.L.A. died on 22.05.2004 and she lodged death-claims but LIC settled only one of the three claims by payment of Rs.50,000/- and other two claims were repudiated on the ground that D.L.A. suffered from various diseases and availed total 63 days of leave on medical grounds with intervals before taking the two policies without disclosing these facts in the corresponding proposal forms. That the diseases referred in the leave record are 'common, seasonal and simple diseases for which no major treatment or operation is required'. Being aggrieved by these acts of repudiations, after serving advocate's notice to the LIC, she has presented this complaint seeking relief (s) of Rs.397500/- inclusive of expenses etc.

Opponent's views : It appears from the papers submitted by L.I.C. that death-claims in connection with the two policies in question had to be repudiated for suppression of material facts while submitting the proposals for the policy. No detailed self-contained note was, however, presented by the LIC. The Insurance Company has forwarded 'xerox copy of relevant claim papers along with supporting documents against the above D.C.L.'. (The delay in disposals of this complaint is due to time taken by LIC for tracing out the policy dockets after contacting its concerned Branch Office etc.).

Decision & Reasons : [Evidence discussed] If we examine the relevant proposal forms in both the cases of two policies in question, it would be seen that questions from 11(i) to (viii) of item no.11 with the heading of 'Personal History' were answered in negative by the D.L.A. and question no.11(ix) requiring information about usual state

of health was replied by writing 'good'. To elucidate, question and answer to question No.11(i) & 11 (iii) are reproduced as below :-

"11. (i) During the last five years did you consult a medical Practitioner for any ailment requiring treatment for more than a week ? No.

(iii) Have you remained absent from your work on ground of health during the last 5 years. No."

In both the proposals similar answers were recorded. Even the availing of the medical leave is not in dispute and in her complaint as well as in the advocate's notice, an explanation has been given by the complainant stating that these were 'common, seasonal and simple diseases for which no major treatment or operation was required'. It was submitted from the insurer that the diseases from which the DLA suffered ought to have been disclosed in due compliance with 'Utmost good faith' to be adhered in insurance contracts; particularly for Peptic Ulcer Syndrome special questionnaire in FM 3324 or 3325, x ray of chest SPQ- 001 (Part A) CBC +ESR and smoking history would have to be called for and thus non- disclosure of these material facts and of leave record affected the decision of the underwriter in accepting the proposals. It is opined that had there been disclosure of these facts the decision of underwriting might have been otherwise. The obligation of the proposer is to give true and correct information of material facts. The view that the diseases were seasonal, common or simple has nothing to do with the duty to give correct and true information. It has further been argued that the police report is silent on the circumstances which led to the unnatural death of the D.L.A which omission/absence may also suggest suicide factor in order to justify repudiation of the claim. –

(Facts suggesting negative aspects of the insured discussed)

Award/Order : There are sufficient materials in support of repudiation of the claims in question and there is hardly any ground for this Authority to interfere with the decision of Insurer.

Guwahati Ombudsman Centre
Case No. 21/01/088/L/05-06/GHY (LIC).
Smt. Purnima Majumder
Vs
Life Insurance Corporation of India

Award dated 30.06.06

Facts leading to complaint : The complainant is wife of the deceased Life Assured (D.L.A) late Amar Kr Majumder. Her grievance is non-payment of death claim (sum assured) in spite of demand made etc.

Counter-statements from opp.party/insurer : The view expressed by the LIC vis-à-vis the claim lodged is that policy in question was in lapsed condition when the D.L.A. died on 01-12-02 for non-payment of premium due on 10/02 (FUP) and 11/02 the D.O.C. being 28.8.2001.

Decision & Reason : We find that the law in the context of the dispute is well-settled and a recent review petition filed by LIC desiring a change in the law was also rejected by Hon'ble Supreme Court reiterating the view expressed by it in Delhi Electricity Supply Undertaking (DESU) and another –vs- Basanti Devi and anr. (reported as (1999) 8 S.C.C. 229); refer decision in Chairman LIC vs. Rajiv Kumar Bhaskar. Undisputedly the DLA was a subscriber to the SSS Policy in question and premium of

Rs.444/- (monthly) upto September, '02 was deducted from his monthly salary by the employer. Admittedly there was no deduction of the premiums by the employer concerned for the month of October, '02 and November,'02. (He died on 1.12.2002). In Chairman LIC vs. Rajiv Kr Bhaskar Hon'ble Apex Court held, inter alia, that duty to pay the premium under the Scheme was with the employer of the insured . Thus, if the policy lapses either due to non deduction of premium from the salary or for non remittances of the same to LIC by the employer, there would be no responsibility of the insured/employee and his rights under the policy will remain protected under the SSS policy. In the above-mentioned Judgement the Hon'ble Apex Court observe as follows :

“The Scheme clearly provides that in the event of cessation of employment, if the concerned employee continues his employment under a new employer, the former employer has to inform the Corporation thereabout. Furthermore, upon retirement or in situations other than taking up of any job with any other employer, the employee would be entitled to continue with the policy but therefor, he will have to pay a higher premium. Even at that stage, the Corporation would have a duty to inform the employee concerned towards his right. Even in case of non-payment of premium for any reason whatsoever, in view of the object the Scheme seeks to achieve, it was the duty of the insurer to inform the employee about the consequences of non-receipt of such premium from the employer. The Corporation has failed or neglected to do so. In that view of the matter, we do not find any reason to take a different view.

In terms of the Scheme, significantly the employee for all transactions was required to contact his employer only. In view of our findings aforementioned, the Corporation, thus, cannot be permitted to take a different stand so as to make the employee suffer the consequences emanating from the default on the part of the employer. If for some reasons, the employer is unable to pay the salary to the employees, as for example, its financial constraints, the employee may be held to have a legitimate expectation to the effect that his employer would at least comply with its solemn obligations. Such obligations having been undertaken to be performed by the employer at the behest of the Corporation as its agent having the implied authority therefor, the Corporation cannot be permitted to take advantage of its own wrong as also the wrong of its agent . In any event, the employer was obligated to inform the employee that for some reason, he is not in a position to perform his obligation whereupon the latter could have paid the premium directly to the Appellant herein.”

Award/Order : The L.I.C. will make payment of the sum assured with full benefit to the complainant as per the endowment policy condition.

**Guwahati Ombudsman Centre
Case No. 21/01/012/L/06-07/GHY
Sri Manoranjan Paul
Vs**

Life Insurance Corporation of India

Award dated 22.08.2006

Facts : The grievance of the complainant (husband of the deceased life assured, in short, D.L.A.) is that repudiation of the death claim on the occasion of death of Arati Paul i.e., D.L.A. was not justified. That the D.L.A. went to Kolkata 2/3 days after signing the proposal form on 15.3.05 to attend certain rituals at the house of the relatives there. But died there on 22.03.05 after being admitted into the hospital on 21.03.05 due to certain illness.

The contention of the L.I.C. (through Manager (Claims) of Guwahati DO) is that the DLA left for Kolkata on 10.03.2005 as per evidence collected. That initial deposit of Rs.2711/- which was subsequently converted into 'instalment of half yearly premium' on 15.03.05 was deposited actually on 20.11.04 under B.O.C. no. 8193 and accordingly, on receipt of the proposal by the Branch on 15th March, '05 D.G.H. (Declaration of Good Health) was called for and the same was submitted. That there is every possibility, under particular facts and circumstances of this claim, that the claimant and the agent being in collusion, submitted the proposal on 15.03.2005 at Mangaldoi Branch, although the D.L.A. was supposed to be at Kolkata on the date of submission of the proposal.

Decision & Reasons : After going through view points raised and on consideration of the submissions made we find that main dispute is whether the D.L.A. was available at Mangaldoi on 15.03.05 and the proposal was submitted by herself for procuring the policy etc. There is no dispute that the D.L.A. was admitted in hospital at Kolkata on 21.03.05 and died there on 22.03.05 due to bacterial meningitis (inflammation of the membranes of spinal cord or brain) with severe septicaemic (presence of pathogenic bacteria in the blood) shock. The repudiation letter dated 06.02.06 issued by Divisional Office of LIC, however, has mentioned that there was deliberate mis-statement and withholding of material informations during answering question no. 11 of the proposal form. Subsequently, however, the stand of the insurer/LIC, vide letter to the Ombudsman dated 18.05.06, was somewhat modified and reasons for repudiation were stated to be (i) leaving of the D.L.A. for Kolkata on 10.03.2005 from her residence at Udalguri (Assam) and (ii) certificate of usual medical attendant Dr. K.C. Barma that till 10.03.05 the D.L.A. didn't receive any treatment from him. It was further stated by the insurer that the initial deposit of Rs.2711/- which was subsequently converted into 'first instalment of half yearly premium on 15.03.05', was deposited on 20.11.04 under B.O.C. No.8193 and accordingly, the concerned Branch called for D.G.H. as the proposal was submitted by the proposer on 15.03.05. It was suggested that the modus operandi raised suspicion that there is possibility of complainant's submitting the proposal with connivance of Agent on 15.03.05. It will be significant to note in this context the statements of the complainant made at different stages -

(a) It has been mentioned in letter dated 24th March, '06 addressed to Zonal Manager, LIC, Eastern Zonal Office, Kolkata , as follows.

"My wife and I together took LIC policy in the month of Nov. 2004 and signed proposal Papers also. After 3-4 months the concerned agent informed me that the proposal papers were misplaced some where (I do not know whether it was misplaced by him or from office) and we had signed again proposal papers in the middle of March 2005. After 2 days we went to Kolkata to our relative's residence for a ritual. After 21.3.2005 when her health deteriorated we rushed to Charring Cross Nursing Home for treatment & next day she left us forever."

(b) In his complaint letter dated 22nd May,'06 to Ombudsman the complainant, however, also gives the following statement in the context of submission of proposal and subsequent repudiation of the death claim.

"1. That Sir, I am a lay man and do not know the rules and regulations of LIC but I firmly can say that as mentioned in the letter issued from Guwahati D.O. my wife had not undergone any treatment or operation and she was always having a good health. We went to Kolkata only for ritual at our relative's house and not for

treatment and on the date of signing the proposal the personal statement of good health were declared by us.

2. That sir, we had deposited two nos. of proposal forms with the premium of my wife and me dated 20/11/04 but the policy was issued on 15/03/05 only after expiry of about 4 months.”

Interestingly, no proposal form dated 20.11.04 is available in the file. The insurance company has forwarded a proposal form which is dated 15.03.05 (inward no.13382) which only mentions the amount deposited as Rs.2,711/- by B.O.C. no.8193 dated 20.11.2004. This proposal form is clearly dated 15.03.05 signed at Mangaldoi by the alleged D.L.A. Arati Paul. The DGH is also dated 15.03.2005 without mentioning clearly the place of declaration and there is a cancellation (correction) in putting the date. The signature of Arati Paul, the proposer/DLA, in the DGH characteristically differs from the other signatures put in the proposal form. The treatment of the D.L.A. was due to sudden unconsciousness on 21.03.05 which resulted into death due to cardio respiratory failure due to the disease mentioned beforehand. In Medical Attendant Certificate, the facts recorded in Column.8 goes as follows :-

- “8. a) Where you deceased’s usual a) No.
medical Attendant ?
b) If so, for how long ?
c) If not please state name and address of his usual medical attendant. c) The patient was from Udalguri (BTAD) Assam and as per the family member there family doctor was Mr. Rohit Brahma (at Udalguri, Assam).”

Insurance Company collected statements from Dr. R.C. Brahma, House Physician of the complainant who stated that next before 10.03.05 he didn’t attend the D.L.A. for any treatment. But the certificate does not show specifically whether the ailment started on 10.03.05. Neighbours Bijon Bihari Pur Kayastha, Subir Chakraborty and Asanti Das Basu-matari stated that the D.L.A left for Kolkata on 10.03.05 to visit her relative there. On the other hand, Sri Khagen Sarmah, Gaonburah, T.T. Upadhaya and Dr. P.B. Pradhan, latter two being close neighbours, stated that for rituals ceremony the complainant and D.L.A. went to Kolkata on 17.03.05. So there is no independent evidence like air ticket, railway ticket etc. to show the exact date of journey of the D.L.A. to Kolkata and the evidence collected in this context by the parties will have no effective result under the facts and circumstances discussed as aforesaid, being counter-balanced by each other.

One can reasonably argue on the available facts that if the proposal for policy was submitted on 15.03.2005, there was no question of asking for and submitting D.G.H. on the same date and it is not understood why the signature of the D.L.A. in these two documents would characteristically differ from each other. Therefore, the allegations that there is something fishy about the submission of the proposal and acceptance of

the same on the same day i.e., 15.03.05 cannot be thrown aside particularly when the policy was in force only for 7 days as per the proposal and the statement regarding death of the insured.

Award/Order : In view of the above, we don't find any cogent reason to interfere with the decision of the insurer and the complaint stands rejected.

**Hyderabad Ombudsman Centre
Case No.L-21.001.00533-2005-06
Smt. S. Rangamma
Vs
Life Insurance Corporation of India**

Award dated 25.5.2006

Complaint dismissed as the Corporation could prove their point.

Facts of the case: Late Sarnala Venkateswar Rao from Pondugula village coming under Krishna District took a policy no. 672823565 for Rs.50,000 under 14-16 Plan, with commencement date as 15-2-2001. The policy lapsed after payment of the first yearly premium. The policy was revived on 20.9.2003 under non-medical scheme, by paying arrears of premiums for two years and submitting a DGH. The life assured died on 16-2-2004 and cause of death was reported as heart attack. As death claim occurred within five months from revival, the Corporation (LIC) enquired into the details of the claim and got evidence that the life assured was treated in Nagarjuna Hospital, Vijayawada for Immune deficiency syndrome from 21.4.2003 to 30.4.2003, a period prior to revival. As the life assured was found guilty of suppression of material facts, LIC repudiated the claim.

The complainant could not prove her case that the life assured died of sudden heart attack and she also could not prove that the evidence produced by LIC was wrong.

As the Insurer could establish the fact of suppression of material facts and a deliberate intent on the part of the DLA, the complaint was dismissed.

**Hyderabad Ombudsman Centre
Case No.L-21.001.0502-2005-06
Smt. Yadamma
Vs
Life Insurance Corporation of India**

Award dated 25.5.2006

(Late) P. Krishniah, from Tirumalapur village under Mahabubnagar District took a policy bearing no. 642361648 for Rs.40000 under 14-15 plan with the commencement date as 28.7.1999. The policy was allowed to lapse after payment of two yearly premiums and it was revived on 12.1.2005. For revival of the policy, a DGH was submitted under non-medical revival scheme and the DLA opted for loan-cum-revival option. The life assured died on 14.1.2005 viz. just two days after revival. As the claim was very early, LIC enquired into the facts of death of the life assured. They found out that the DLA was admitted into Osmania General Hospital, Hyderabad on 5.1.2005 with a history of jaundice, renal failure and liver problems. The DLA expired in the hospital on 14.1.2005, while undergoing treatment. In effect, the policy was revived during the hospitalization period, by submitting a DGH under non-medical scheme. Finding that the DLA was guilty of suppression of material facts, the LIC rejected the claim.

Award : The Insurer proved to the satisfaction of this office that the DLA resorted to deliberate mis-representation of facts while proposing for revival of his lapsed policy. Section 45 is applicable and as the DLA was proved to be guilty of non-disclosure of facts with a deliberate intent to commit fraud on the Insurer, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No.L-21.001.000516-2005-06
Smt. K. Rajeswari
Vs
Life Insurance Corporation of India

Award dated 31.5.2006

(Late) K.Rajiah took three policies bearing nos. 802506235, 802505405, 802523165 from LIC Rajahmundry Division. The policies were issued for Rs.30,000/- Rs.40,000/- and Rs.100,000/- respectively with commencement dates of 28.3.2002,28.3.2002 & 28.12.2003. The life assured died on 1.6.2004 and claim was rejected on 15.4.2005. Section 45 of Insurance Act,1938 is applicable under the first-two policies and not applicable under policy no.802523165. The claimant reported the cause of death as liver problem.

Policy number 802506235 was issued under 142-5, a single premium policy, where under the element of insurance cover was very minimal.

As per the investigations of the Insurer, the DLA consulted a doctor for the first time on 6.10.2000 with complaints of abdominal pain. The DLA was diagnosed to be suffering from cirrhosis of liver/HBV related problems with duodenal erosions. LIC obtained information from the doctor in claim form no.5122, but no supporting case sheets were produced. The case sheet produced by them relate to a period subsequent to the issue of all three policies. They produced a case sheet obtained from Seven Hills Hospital, Visakhapatnam for the admission into hospital on 30.5.2004. The life assured died in the hospital on 1.6.2004. Policy numbers 802505405 and 802523165 were issued under medical schemes of the insurer.

Award : As provisions of section 45 are applicable under policy numbers 802506235 & 802506405 and as the insurer has not been able to obtain further evidence in the form of hospital case sheets, complaint under these two policies allowed.

However, provisions of Section 45 are not applicable under policy number 802523165. The insurer could establish that there is a nexus between the final cause of death and the particulars of disease mentioned in Form No.5122 obtained by them. The life assured died of cirrhosis of liver and it is a progressive disease. This disease will not lead to fatality within a short span of its onset and the insurer's contention was accepted. Hence complaint under this policy was not allowed.

Hyderabad Ombudsman Centre
Case No.L-21-001-0016-06-07
Smt. A.Anasuya
Vs
Life Insurance Corporation of India

Award dated 31.5.2006

Head Notes : Policy continued for six years from its commencement date. The policy was revived in between and as the DLA was found to be suffering from childhood heart

problem, the claim was repudiated by LIC. As the policy was accepted and revived under medical scheme of LIC, ex-gratia payment of Rs.20, 000 allowed.

Facts of the Case : Late Smt. A.Anasuya took a policy bearing no.660383805 for 50000 under 121-20 plan (Asha Deep) of LIC with the commencement date of 22.1.1996. The DLA paid premiums regularly up to 01/1998 half-yearly mode and lapsed the policy. Subsequently, on 2.3.1999, the DLA revived the policy by submitting a DGH, Medical report with arrears of premium for two half-years. The life assured died on 8.2.2002. During the inquiries of the LIC, it came to light that the DLA was having a history of CHD, post-aortal-pulmonary shunt done in 1984. As per Form No.B-II obtained by the Insurer, the DLA was suffering from Tetralogy of Fallot. The Insurer obtained evidence to the effect that the DLA was treated as an in-patient in Sri Satya Sai Institute of Higher Medical Sciences prior to the revival of the policy on 2.3.1999. As per their evidence, the DLA was first seen in the said hospital on 21.10.1993 and made further visits on 18.11.1995 & 3.3.1998. The policy was revived on 2.3.1999, on the strength of a medical report and DGH. The Insurer could not obtain case sheets relating to actual treatment and they relied on the case-sheet summary given by hospital authorities.

Award : As Section 45 is applicable in this case and the revival of the case was done on the strength of a medical report, and as premiums were paid for a total period of six years, total rejection of the claim is not convincing. Hence, to meet the needs of justice, awarded an ex-gratia of Rs.20000.

Hyderabad Ombudsman Centre

Case No.L-21-001-0026-2006-07

Smt. M. Savitha

Vs

Life Insurance Corporation of India

Award date: 31.5.2006

Facts of the Case : Late M. Girish, a cab driver by profession took policy-bearing no.721251913 for Rs.50000 under T&T 133-25 from Kollegal branch with the commencement date as 28.3.2001. The policy was allowed to lapse after payment of two half-yearly instalments of premium. Subsequently, on 18.4.2005, it was revived on the strength of a DGH, Medical report and payment of arrears of premium for 7- half-years. As the life assured died within 15 days or so from its revival, the Insurer enquired into the merits of the case. They found out that the DLA was treated in St. John's Medical College Hospital, Bangalore as In-Patient with a history of headache, vomiting, fever etc. on 26.5.2003. Further, he was diagnosed to be suffering from Cryptococcal meningitis and he was discharged from the hospital on 3.7.2003. There was an estimate of treatment cost also, in the certificates obtained by the Insurer.

The claimant also mentioned the cause of death as due to brain tumor for over one year and she even declared the names of the doctors who treated the DLA during his terminal illness, in the claim forms.

Section 45 of Insurance Act, 1938 is applicable and the Insurer has sufficiently proved by obtaining medical records that revival of the policy was secured by misrepresentation of material facts and with fraudulent intent. Hence, the complaint is dismissed.

Hyderabad Ombudsman Centre

Case No.L-21-001-0021-2006-07
Smt. Laxamma
VS
Life Insurance Corporation of India

Award dated 31.5.2006

Fact of the Case : Late S.P.Somanna obtained policy-bearing no.622051245, with a commencement date of 28.1.2002 under T&T14-15 for Rs.50000. After payment of three half yearly premiums, the life assured allowed the policy to lapse. The policy was revived on 7.9.2004 on the strength of a DGH and Medical report. The DLA paid two half yearly installments of premium at the time of revival on 7.9.2004. The life assured died on 16.9.2004. As death occurred within a very short time from revival of the policy, the insurer enquired into the merits of the claim. In their enquiries, it was revealed that the DLA was admitted into Mc Gann Hospital, Shimoga for treatment as an In-Patient on 23.8.2004 and he died in the hospital on 16.9.2004. He was treated for diabetes, ulcer over right foot. The Insurer also obtained claim forms B, B-I from the hospital, which also confirms the same. The Insurer repudiated the claim on the grounds of suppression of material facts.

Award : Section 45 of insurance Act, 1938 is applicable and the Insurer has sufficiently proved that the DLA was guilty of suppression of material facts, with a fraudulent intent. Hence repudiation action upheld and complaint dismissed.

Hyderabad Ombudsman Centre
Case No.L-21-001-0043-06-07
Smt. Manjamma
Vs
Life Insurance Corporation of India

Award dated 31.5.2006

Facts of the Case : (Late) N.Manjunath, working as an Attender in PHU, Bhanuvalli, Harihar Tq. , Karnataka State obtained two policies bearing nos. 622690932 & 622737029 from LIC, Udupi Division.

Pol. No.622690932 was taken for Rs.50,000 S.A under Plan 14-24 with a commencement date of 28.9.2003. The policy was issued under non-medical scheme of LIC.

Pol. No.622737029 was taken for Rs.30, 000 sum assured under Plan 14-23 with the commencement date of 28.11.2003. The life assured was aged 35 years at the time of issue of the policy and this policy also was issued under non-medical scheme.

The LA died on 12.3.2004 and cause of death reported was abdominal pain. As per the enquiries of the Insurer, the life assured died due to history of peptic ulcer, pain in abdomen and AC peritonitis shock. The claim form E obtained by LIC gave adverse medical leave history as per which the DLA was on medical leave from 31.8.2003 to 10.9.2003 and from 1.11.2003 to 7.11.2003, for acid peptic disease and pain in abdomen.

Award : As the Insurer submitted convincing evidence about past medical record of the life assured for a period prior to issue of the policies, it is evident that the DLA failed to disclose material information to the LIC. Further, nexus between the final cause of death and disease for which medical leave taken was clearly established. Hence the complaint was not allowed.

Hyderabad Ombudsman Centre

Case No.L-21-001-0504-05-06

Smt. N.Sarada

Vs

Life Insurance Corporation of India

Award dated 31.5.2006

Facts of the Case : (Late) N.Anjiah, a driver in APSRTC obtained a policy bearing no.642186341 for Rs.50,000 from CB-16, Hyderabad Division. The policy commenced on 28.2.2003 and it was issued under 14-25 plan, under SSS. The life assured died on 6-7-2004 and cause of death reported was 'Heart Attack". Finding the claim to be a very early one, LIC inquired into the merits of the case. As per their enquiries, the DLA had availed sick leave for 61 days in 2001; 38 days in 2002; 27 days in 2003, which facts were not disclosed at the time of proposal. The Insurer (LIC) obtained copies of leave applications and medical pass book from APSRTC Hospital, Tarnaka, as per which the DLA was reported to be suffering from HTN and had a history of non-healing ulcer.

Award : The policy was issued under Medical scheme of LIC. Though the Insurer obtained enough evidence to prove that the DLA was guilty of non-disclosure of material information, seeing the present status of the complainant, ordered for refund of premiums collected as ex-gratia amount.

Hyderabad Ombudsman Centre

Case No.L-21-005-0529-05-06

Smt. S.Charulatha

Vs

HDFC Standard Life Insurance Co

Award dated 5.6.2006

Facts of the Case : (Late) Dr. V.R.Jayaram from Bangalore obtained a policy for Rs.200,000 bearing pol. No.81758 from HDFC Std. Insurance Co., under endowment plan for twenty years. The policy commenced on 17-10-2002 and the life assured died on 27-8-2004 due to sudden massive cardiac arrest. There was no hospitalization for the terminal illness and death was very sudden. The Insurer repudiated the claim on the strength of statement made by a doctor in a certificate issued for cremation purposes, stating that the significant condition that contributed to death was 'Ch. Smoker'. The Insurer interpreted the wording as chronic smoker and decided to repudiate the claim. The DLA answered in the negative for the question relating to habit of smoking and declared in the affirmative against the question on habit of drinking. Invoking provisions of Section 45 regarding non-disclosure of material information, the claim was rejected.

Award : As seen from the facts of the case, death of the LA was very sudden. A local doctor was called to examine the DLA on the fateful day. The doctor pronounced death of the LA without any treatment. He also gave a certificate of death for cremation purpose in which he remarked about the contributory cause for the sudden death. The Insurer did not make any attempt to get any further statement from that doctor or for that matter from any other source about the smoking habits of the life assured before commencement of policy. The complainant argued that the LA was not a smoker at the time of policy. As the Insurer did not submit any proof about the habit of smoking prior to issue of policy, the complaint is allowed and Insurer ordered to settle the claim.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0039-2006-07**

Sri T. Venkateswarlu

Vs

Life Insurance Corporation of India

Award dated 27.6.2006

Brief Facts of the case : (Late) T. Krishniah, an agriculturist from Madirajagudur, Nellore District of A.P. took a policy bearing no.840559341 for Rs.20, 000 under T& T 14-15. The policy commenced on 27-4-2001 and it lapsed after payment of two half-yearly installments. Subsequently, it was revived on medical basis, on 19-5-2003 and three installments of premium were collected. The L.A. died on 18-7-2003. The L.A. nominated his son to receive benefits under the policy and the claim was rejected by LIC on the grounds that the DLA consulted Anasuya Heart Care Centre, Nellore for acute HTN and acute LVF, on 28-1-2003. The insurer obtained copy of the case sheet from the hospital and rejected the claim for suppression of material facts at the time of revival of the policy. Further, as per rival claim papers submitted by the second wife of the DLA, the insurer came to know that age of the LA was understated by about 13 years. Finding the LA to be guilty of mis-representation regarding his health and age, LIC repudiated the claim.

Decision : Section 45 of Insurance Act, 1938 is applicable and LIC obtained documentary evidence in the form of case-sheet from a hospital relating to the medical record of the DLA. Further, the papers submitted by the second wife of the DLA also suggest understatement in age at the time of introduction of the policy. The complainant admitted to the genuineness of the evidence produced by the insurer, at the time of personal hearing. Hence the complaint is dismissed.

Hyderabad Ombudsman Centre

Case No.L-21-006-0002-06-07

Sri J.Purnachander Rao

Vs

Birla Sun Life Insurance Co.

Award dated 30.6.2006

Facts of the Case : Late J. Hanumantha Rao, a resident of Nirukulla village, Atmakur Mandal, Warangal District (A.P) opened a Jeevan Abhaya savings bank account with Andhra bank, Subedari branch, Warangal on 15-3-2003. All account holders of Andhra Bank under 'Jeevan Abhaya' scheme are covered for a life cover of Rs.1 lakh under a master policy with Birla Sunlife Insurance Co. The DLA joined the G.I. scheme by completing a health declaration form on 15.3.2003 in which he nominated his son Sri J. Purnachander Rao.

In the health declaration the DLA mentioned his date of birth as 22.8.1948 and submitted a copy of school transfer certificate, allegedly issued by the Head Master of BTS School, Huzurabad. The LA died on 11-7-2003 and when the nominee claimed the amount of Rs.1 lakh under the G.I. policy, the insurer repudiated the claim stating that the age proof certificate submitted by the DLA was false. The insurer's contention was that there are no records relating to the DLA in the school and that coverage under G.I. Scheme was secured on the basis of a certificate, which was not genuine.

Award : The insurance company has not disputed about the correctness of the DOB of the DLA. They only contended that the certificate was not genuine, as they could not

trace the original records in the school. The nominee contended that his father was having a life insurance policy with LIC and claim under that policy was settled by LIC. The DOB mentioned in the policy tallies with the date given in the G.I. policy and age was also admitted by LIC. As the Insurer could not prove that the DOB furnished to them is wrong, the complaint was allowed and the Insurer was asked to pay the claim of Rs.1 lakh.

**Hyderabad Ombudsman Centre
Case No.L-21-001-0001-2006-07**

Smt. A. Punyavathi

Vs

Life Insurance Corporation of India

Award dated 17.7.2006

Facts of the Case : (Late) A. Subba Rao, a resident of Santharavur village, Prakasham District (A.P.) obtained policy no. 841492962 for Rs.60, 000/-. The policy commenced on 28-3-2004 under T&T14-16, under medical scheme of LIC. The life assured died on 6-6-2004 and as the claim being a very early one, the insurer enquired into the bonafides of the claim. The insurer found out that the life assured was having a previous policy, which was accepted with a health extra of Rs.2.25 per thousand sum assured and with age extra of Rs.2.25%0. The previous policy was attached to another branch of LIC. Even the sum assured under the previous policy was reduced from the proposed amount of Rs.75, 000 to Rs.17, 000 due to insufficient income. The DLA mentioned the previous policy number as 840894858, instead of the correct number of 840894853. The insurer contended that the life assured gave a wrong policy number, thereby denying them the opportunity of verifying previous records and further the LA failed to disclose the fact of acceptance of previous policy with extra premium. Holding the life assured guilty of mis-representation of facts, the insurer repudiated the claim of the complainant.

Award : Evidently, the life assured mentioned the previous policy number wrongly, while answering Q No.8A (b) of the proposal form. Further, the LA failed to disclose correct information about acceptance of previous policies correctly under part (b), (c) of Q No.8. The life assured under the policy hailed from a remote village and it is not correct to expect such persons to be well versed in insurance matters to fill up proposal forms. The LA apparently left this job to his agent or Development officer. Further, the insurer at Chirala branch, which issued the policy, could have verified the correctness of previous policy records by contacting their Addanki branch, where the previous policy records are lying. As the life assured hailed from a rural area, total rejection of the claim is not justified and ordered for an ex-gratia payment of Rs.5, 000 to meet the ends of justice.

**Hyderabad Ombudsman Centre
Case No.L-21.001.0069-2006-07**

Sri O. Subbaratnam

Vs

Life Insurance Corporation of India

Award dated 17.7.2006

Facts of the Case : (Late) T. Nagalaxmi, the daughter of the complainant took a policy bearing no.841423206 for Rs.20, 000 from Giddalur branch of LIC. The policy

commenced on 28-3-2003, under 14-16 Table and term. The life assured died on 9-5-2004, allegedly due to chest pain. The LA was a tailor and she had nominated her daughter T. Tirupatamma, aged 13 years. The complainant is the appointee under the policy. The claim was rejected by LIC on the grounds that the life assured had no dependent children at the time of proposing for the policy and that she was not in good health. As per the evidence secured by LIC, the LA had taken treatment from R.R. Hospitals, Kurnool for four days in April 2000. The LA was treated from 12.4.2000 to 15.4.2000 for pain in abdomen, vomiting, anemia and suspected appendicitis. Finding the LA to be guilty of non-disclosure of the previous medical history, the insurer rejected the claim. The insurer further contended that the LA, as a widow, is not eligible for insurance, as she had no dependent children to support. It is their contention that they would not have issued the policy had the life assured truthfully disclosed about her past medical record and about dependent children.

Award : The repudiation letter of LIC did not cite the non-existence of minor children as one of the reasons for repudiation. Hence this reason was not accepted as a ground for repudiation. However, LIC could lay its hand on the hospital records from R.R.Hospitals, Kurnool. As per the records of Kurnool hospital, the LA was treated for a brief period of four days in 04/2000 and thereafter, there is no record of any treatment. The policy commenced in 03/2003 and the claims of the insurer regarding subsequent treatments at Bangalore are unsubstantiated. Section 45 of the Insurance Act, 1938 is not applicable in this case which implies that the insurer can reject a claim on the grounds of suppression of material facts. As the insurer could not substantiate his claim that the LA was treated at Bangalore before commencement of the policy, total rejection of the claim is not accepted and the insurer was directed to consider payment of an ex-gratia of Rs.10, 000.

Hyderabad Ombudsman Centre
Case No.L-21-002-0008-2006-07
Smt. A. Bhagyalaxmi
Vs
SBI Life Insurance Co. Ltd.

Award dated 20.7.2006

Facts of the case : (Late) A. Praksh S/o A. prakash took a credit card bearing no. 4317 5756 0441 4202 from SBI Cards in September 2004. The cardholder opted for coverage under 'Protection Plus' scheme of SBI cards, as per which he is covered for an amount of Rs.300, 000 in case of death due to accidental reasons. This life cover was subsequently raised to Rs.600, 000 by SBI Life. SBI cards Ltd obtained a master policy from SBI Life to give coverage under the said 'Protection plus' scheme. The life assured died on 10.1.2005 due to murder. The complainant, who is the nominee under the GI policy, claimed the benefit under the card. SBI Cards rejected her claim stating that the card became delinquent for a continuous period of two billing cycles and rejected claim as per clause 7 of Master Policy. The complainant contended that all dues were cleared before death of the LA and she is eligible for payment of the sum assured of Rs.6 lakhs. The insurer claimed that the complainant was eligible to receive only GI benefit of Rs.2 lakhs, in terms of master policy with United India Insurance Co. and she is not eligible for coverage under 'Protection Plus' as the credit card was blocked.

Award : The rules relating to coverage under the scheme are mentioned under clause 7 of Master Policy issued by SBI Life. As per sub clause (b), coverage shall

automatically stop if insured cardholder's SBI card account becomes delinquent and remained unpaid for a continuous period of two billing cycles. As per sub clause (c), the insurance coverage shall automatically stop if the insured cardholder's account has been blocked or cancelled by SBI Cards. The card was in a blocked status as per statement dated 6-12-2004. As there is no provision for restoration of coverage after a card is blocked, as per the terms of master policy, the decision taken by the insurer is in order. Hence, the complaint was not allowed.

**Hyderabad Ombudsman Centre
Case No.L-21.005.0032-2006-07**

Smt. Yellawwa H. Bhandari

Vs

Life Insurance Corporation of India

Award dated 26.7.2006

Facts of the case : The complainant is the mother of the DLA and the nominee under the disputed policies.

(Late) Bharmappa Hanumathappa Bhandari obtained two policies from HDFC Standard Life Insurance Co. in 02/2005. Policy bearing no.10190694 was for Rs.122878 sum assured under Children's Double Benefit Plan with a yearly premium of Rs.5000/-. This policy commenced on 10.02.2005.

The second policy bearing no.10206082 for Rs.5 lakhs sum assured under Term Insurance Plan. This policy commenced on 31.03.2005 and the instalment premium under this policy was Rs.2450/- p.a.

The life assured died on 08.07.2005 due to Hepato cellular disease, in the District Hospital at Dharwad. Being very early claims, the Insurer enquired into the facts of the matter and repudiated the claims. The grounds of repudiation are suppression of information relating to the treatment taken by the DLA for Pulmonary T.B. in 09/2003. The insurer obtained and produced record relating to the admission of the DLA into the District Hospital, Dharwad during the period 08.09.2003 to 24.09.2003, for Pulmonary T.B. They also obtained evidence to show that the DLA had taken treatment at Urban Family Welfare Centre, Madarmaddi. As the DLA did not disclose information relating to the hospitalization in 9/2003, the insurer repudiated the claim. Section 45 of Insurance Act 1938 is not applicable.

The contention of the complainant is that her son was healthy at the time of taking the policies. The insurer initially agreed to pay the claims and suddenly reversed their decision. She requested for payment of the claims.

The life assured died within six months from the commencement of the policies. The insurer submitted hospital records to show that the DLA failed to disclose the treatment taken by him for Pulmonary TB in 9/2003. Section 45 of Insurance Act 1938 is not applicable and the insurer submitted record of treatment covering a period prior to the issue of policies. Hence the complaint was not allowed.

**Hyderabad Ombudsman Centre
Case No.L-21.011.0077-2006-07**

Smt. Jayasree Naik

Vs

ING Vysya Life Insurance Co. Pvt. Ltd.

Award dated 26.7.2006

Facts of the Case : The complainant is the wife of the DLA and nominee under the disputed policy. Late Jayant P. Naik resident of Hejamady, took policy bearing no.229459 for Rs. 1 lakh sum assured from ING Vysys Co. The policy commenced on 25.02.2005. The LA died on 15.09.2005, allegedly due to cardiogenic shock.

Being a very early claim, the insurer investigated the claim. As per their findings, the DLA suffered from Pulmonary TB much before issue of the policy and had a history of alcoholism. The final cause of death was retroviral disease on treatment with anti-tubercular drugs. Section 45 of the Insurance Act 1938 is not applicable. The DLA was treated in KMC Hospital, Mangalore during his terminal illness. The period of hospitalization was 05.08.2005 to 09.08.2005 with a past history of TB five years before, HIV+. The hospital record states that past medical history was given by the DLA himself. The claim was rejected for reasons of non-disclosure of material information relating to past history of TB.

The complainant contended that the insurer fabricated all records and her husband never suffered from TB. She requested for payment of claim.

The evidence produced by the insurer did not appear to be fabricated as alleged by the complainant. The case sheets produced were all well recorded on regular printed forms, with supporting laboratory requisition slips. The evidence submitted by the insurer was accepted to be enough for rejection of the claim. The complaint was dismissed.

Hyderabad Ombudsman Centre

Case No.L-21.002.0004-2006-07

Sri M.L. Gouder

Vs

SBI Life Insurance Co. Ltd.

Award dated 27.7.2006

Facts of the case : The complainant is the husband of the DLA and the nominee under the master policy.

Late Smt. Shantawwa Gouder and her husband jointly opened a Savings Bank Account with SBI's Hungund Branch on 02.09.2004. Late Shantawwa opted to be covered under "Super Suraksha" scheme of SBI Life, which is available to the account holders of State Bank of India. At the time of joining, the DLA submitted a 'Good Health Declaration', as required under the scheme. The insurance coverage allowed under the scheme was Rs.1 lakh for natural death and Rs. 2 lakhs for accidental death. The life assured died on 11.12.2004 while undergoing treatment at Sri Jayadeva Institute of Cardiology, Bangalore. As the claim occurred within a short period, the insurer enquired into the facts of the case. Their enquiries revealed that the DLA was suffering from cardiac problem for about twelve years prior to death. SBI Life rejected the claim for the reason of non-covering of pre-existing diseases.

The contention of the complainant was that the DLA was in good health at the time of joining the scheme. The certificate of coverage was vague and the brochures of the scheme did not elaborate the exceptions. The complainant requested for payment of claim, as the 45-day limitation period had passed.

As per the conditions of the scheme, persons suffering from critical illness are barred from joining the scheme. Persons with heart diseases are excluded from becoming members of the scheme. The record of hospital clearly states that the DLA had undergone PTMC about 12 years before and was on regular medication for Rheumatic

Heart Disease. The insurer proved in a conclusive manner that the DLA was not in good health as required under their scheme. Hence the complaint was not allowed.

**Hyderabad Ombudsman Centre
Case No.L-21.001.0097-2006-07**

Sri Vithoba Hansi

Vs

Life Insurance Corporation of India

Award dated 27.7.2006

Facts of the case : (Late) Smt. Bhagyamma, W/o Vithoba Hansi, obtained a policy bearing no.66826088 for Rs.20000/- from Koppal Branch of LIC. The policy was under Jana Raksha Plan (T-91-20) and it commenced on 27.09.2001. It was issued under non-medical scheme. The policy lapsed after payment of 4 qly. Premiums and later it was revived on 02.11.2004 on the strength of a DGH. The revival also was under non-medical scheme. The life assured died on 03.11.2004, just one day after revival.

As per the enquiries of LIC, the LA died due to anemia, excess interior bleeding, fits etc. The DLA was treated by a private RMP in her village. The insurer obtained a statement from the RMP and repudiated the claim for reasons of non-disclosure of material information at the time of revival.

The contention of the complainant was that the LA suffered only for one day and he should be paid the claim amount.

During personal hearing, the complainant admitted that his wife was treated by the private RMP for complaints of excess bleeding, fits, fever etc. The complainant stated that the DLA suffered only for one day from all complications.

As per the written statement of the RMP, the DLA was having the complaints of health for three months. In the light of evidence produced by the insurer, the complaint was not allowed. However, considering the poor financial background of the complainant, ex-gratia in the form of refund of premiums paid at the time of revival ordered.

**Hyderabad Ombudsman Centre
Case No.L-21.006.0515-2005-06**

Smt. H.V. Bharathi

Vs

Birla Sunlife Insurance Co. Ltd.

Award dated 27.7.2006

Facts of the case : (Late) K. Vittala Murthy R/o Bellary, Karnataka State, obtained a policy bearing No.12002 for Rs.10 lakhs sum assured from Birla Sunlife Insurance Co. The policy commenced on 27.02.2002 for a term of 15 years. Initially the life assured opted for premium payment through ECS Debit and the monthly instalment of premium was fixed as Rs.542.01. The life assured committed suicide on 07.06.2004. The claim was rejected by the Insurer stating that the policy lapsed from 27.05.2004 due to non-payment of premium due on 28.04.2004.

The main dispute in this case was regarding payment of premium due on 28.04.2004.

As per the Insurer, the LA opted out of ECS after payment of premium due on 27.02.2004. As per ECS rules, the LA was to give a notice of two months before opting out of ECS scheme. The ECS debit advice for 03/2004 was dishonoured by Bank due to closure of account. The LA made direct cash payment on 08.04.2004 in lieu of

dishonoured ECS payment for 03/2004. There is no record of payment of premium for 04/2004. The claimant wanted the claim to be settled as in the premium notices it was mentioned that the policy was in force up to 27.06.2004. The complainant tried to rely heavily on premium notices regarding payment of premium due on 04/2004.

The insurer contended that they did not recover premium due on 04/2004. As the complainant could not submit any proof relating to such payment, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No.L-21.001.0073-2006-07
Smt. V. Kalpana
Vs
Life Insurance Corporation of India

Award dated 29.8.2006

Facts of the case : (Late) Vemuru Venkata Subramanyam obtained Policy bearing no.841414314 for Rs.50000/- under Table 133-21 (Triple Cover Jeevan Mitra Plan) from Nellore – 1 Branch of LIC's Nellore Division. The life assured was aged 35 years at the time of issue of policy and the policy commenced on 14.08.2003. The life assured died on 01.10.2003 at Bangalore while undergoing treatment for heart problem.

The contention of the complainant is that the LA died due to sudden onset of the disease and not due to childhood rheumatic disease. She contended that her husband was taken to Manipal Hospital at Bangalore with a complaint of abdominal pain and not with a history of heart disease. She further contended that LIC issued the policy to her husband under Medical Scheme and her husband was in perfect/good health at the time of proposal.

The Insurer (LIC) investigated and obtained Death Summary from Manipal Hospital at Bangalore. As per the Hospital Discharge Summary, Claim Form B, B-1, the secondary cause of death was mentioned as RHD since the age of 14 years, Atrial fibrillation, Tight Aortic Stenosis, breathlessness etc. The LA was admitted into Manipal Hospital on 26.09.2003 and he was also treated at Narayana Hrudayalaya, Bangalore.

As the insurer has proved suppression of material facts relating to childhood RHD by the DLA while making proposal, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No.L-21-001-0113-2006-07
Sri. N. Gopal
Vs
Life Insurance Corporation of India

Award dated 20.8.2006

Facts of the case : (Late) Nyathani Laxmaiah S/o Naraiah, Occ.: Agriculturist, R/o Warangal obtained Policy No.687127817 from Warangal – 1 Branch of LIC, Warangal Division. The policy commenced on 28.01.2005 under Plan 14-15 with a half yearly mode of premium of Rs.2030/- for Rs.50000 sum assured. The life assured died on 24.08.2005 allegedly due to Cardiac arrest while asleep.

The contention of the complainant was that the life assured was enjoying good health at the time of proposal. Except for minor ailments like fever and cough, the LA never

suffered from any major illness. The complainant, who is the son of the DLA, contended that the claim is genuine and he should be paid money as per contract.

The insurer (LIC) investigated the claim, as the claim was very early. As per their enquiries, the LA took treatment from Dr. K. Krishna Reddy, MD of Warangal. As per the Doctor's statement the DLA first consulted him on 21.03.2003 with complaints of weakness, pain on left foot. Further the doctor stated in his certificate that the DLA consulted him with past history of diabetes mellitus for about four years. The insurer obtained and submitted copies of pathological reports dt.9.1.1999, 16.4.1999, 9.6.1999, 19.6.1999, 15.5.2000 and 21.3.2003.

The insurer repudiated the claim on the grounds of suppression of material information. Section 45 of Insurance Act not applicable. As repudiation action was taken by LIC on the basis of written evidence, the complaint was not allowed.

Hyderabad Ombudsman Centre

Case No.L-21-001-0065-2006-07

Smt. K. Satyavathi

Vs

Life Insurance Corporation of India

Award dated 30.8.2006

Facts of the case : (Late) Kalapureddy Ramu S/o Narasimhareddy, Occ. Assistant Operator in Rajahmundry Paper Mills obtained four policies from Rajahmundry Division of LIC.

(i) Pol.No.800260575 for Rs.25000/- under 14-17 plan commenced on 28.09.2000 (ii) Pol.No.800258217 for Rs. 50,000/- under 75-20 plan commenced on 28.03.1998 (iii) Pol.No.800854191 for Rs. 10000/- under 14-10 plan commenced on 28.09.1995 and (iv) Pol. No. 800253741 for Rs. 25,000/- under Plan 14 - 21 commenced on 16.02.1994. All the policies were taken under SSS. The premium payment under the policies was stopped in 2001 at the request of the LA, as the LA was finding it difficult to meet educational expenses of his children.

The policies were revived in 4/2003 by the life assured on the strength of a DGH and Medical Report. The life assured died on 27.04.2004 due to alcoholic cirrhosis of liver.

The claims were repudiated by LIC alleging that the DLA was admitted into Swatantra Hospital, Rajahmundry even before revival of the policies and that revival was secured suppressing material information. They produced hospital record from the hospital for the period of hospitalization from 25.02.2003 to 01.03.2003. As per the hospital records, the life assured was admitted with a history of alcoholic cirrhosis of liver, decompensation anemia, swelling of leg, DVT left LC etc.

The contention of the complainant was that her husband never suffered from alcoholic cirrhosis of liver, prior to revival of policies. She contended that her husband was admitted into the hospital for injury to leg and then only they came to know of liver cirrhosis.

The insurer produced copies of case sheets from the hospital as per which it was evident that the life assured was not in good health at the time of revival of policies. As there was previous appeal from the complainant to the insurer for refund of at least the amount paid for revival of policies, an ex-gratia payment to an extent of such refund was ordered.

Hyderabad Ombudsman Centre

Case No.L-21-001-0128-2006-07
Sri G. Kistaiah
Vs
Life Insurance Corporation of India

Award dated 31.8.2006

Facts of the case : The complainant is the father of the life assured under Policy No.681863790. The policy was obtained on the life of G. Anjaneyulu, the minor son of the complainant under Jeevan Kishore Plan. The policy was issued for Rs. 50,000/- under Plan 102-20 with a yearly premium of Rs.2284/- with a commencement date as 28.03.1999. The policy lapsed after payment of yearly premium due on 28.03.2002. The policy was revived on 21.11.2003, on the strength of a PSH in LIC's Form No.720 dated 21.11.2003. The life assured died on 16.11.2005 allegedly due to fits at Hanamkonda.

As claim occurred within two years from revival, LIC investigated into the matter and repudiated the claim. As per LIC, the DLA was a patient of congenital heart problem, which was diagnosed at the age of 1. The DLA was admitted into NIMS twice for treatment purpose. The first admission was during the period 23.06.2005 to 28.06.2005 and the second admission during 19.08.2005 to 08.09.2005. They produced case sheets from NIMS. In the case sheet, it was mentioned that LA was known to be suffering from congenital heart disease at the age of 1 year. The claim was rejected by LIC stating that it was not declared in the proposal or at the time of revival about the congenital heart problem.

As per the complainant, the DLA was a normal child at the time of proposal for insurance in 1999 and also at the time of revival of policy in 11/2003. According to him, it was only in 11/2005 that they detected about a hole in the heart of the DLA. The LA was operated in NIMS in 2005 and the operation was successful. There was no mis-statement from his side regarding the health of LA.

The evidence produced by LIC relate to a period after commencement of the policy and also subsequent to the revival date. No evidence was produced by LIC relating to treatment taken prior to issue of policy. As the insurer tried to rely heavily on the past history recorded in the case sheet of NIMS and as Section 45 is applicable, the complaint was allowed. LIC was ordered to make payment of claim.

Hyderabad Ombudsman Centre
Case No.L-21-001-0131-2006-07
Smt. G. Vijayamma
Vs
Life Insurance Corporation of India

Award dated 22.9.2006

Facts of the Case : The complainant is the wife of the DLA and nominee under the policy. Late Gangineni Venkataiah S/o G. Papaiah, R/o Rajampet, obtained Pol.No.653247383 for Rs.100000/- from LIC's Rajampet Branch. The policy was issued under Plan 149 for 16 years, with the commencement date of 08.01.2004. The premium payment mode was yearly with a premium of Rs.7949/-.

The LA died on 19.12.2004 while undergoing treatment at Bollineni Hospital, Nellore.

LIC investigated the claim and rejected for reason of suppression of material facts. As per LIC, the DLA was first admitted into Bollineni Hospital, Nellore on 29.04.2003 and

took treatment up to 07.05.2003. They obtained case sheets from the hospital, as per which the DLA was known to be suffering from chronic liver disease and admitted into hospital with complaints of distended abdomen, unable to pass urine and yellowish conjunctiva. The LA had subsequent admission into the same hospital during 24.04.2004 to 01.05.2004; 09.12.2004 to 19.12.2004. As per hospital records the LA was treated for the same disease of chronic cirrhosis of liver. Section 45 of Insurance Act 1938 is applicable. LIC rejected the claim alleging deliberate suppression of material information with fraudulent intent.

The complainant contended that her husband had not withheld any information from LIC while proposing for insurance. The policy was canvassed by LIC agent, adjusted premium amount from maturity value under another policy. She contended that rejection of claim was arbitrary and illegal.

The evidence produced by the Insurer was examined. LIC produced enough evidence to show that the DLA was treated in a hospital prior to the commencement of policy for a serious health problem. Hence the complaint was not allowed.

Hyderabad Ombudsman Centre
Case No.L-21-001-0177-2006-07
Smt. P. Tulasi
Vs
Life Insurance Corporation of India

Award dated 22.9.2006

Facts of the Case : (Late) P. Pradeep Kumar Reddy S/o P. Yella Reddy took a Jeevan Mitra life insurance policy for a sum assured of Rs.50000/- in 9/1997. The policy lapsed in 2001 since premium were paid only up to 9/2000. The policy was revived on 16.01.2003 on the strength of Personal Statement of Health/Declaration of Good Health by paying arrears of premium with interest. The life assured died on 02.08.2003 within seven months from the date of revival.

The complainant contended that her husband was enjoying good health at the time of revival of the policy and her claim should be honoured.

The insurer (LIC) investigated the claim since it is an early claim and obtained employer's leave record, which proved that he was on medical leave from 25.08.2000 to 25.09.2000 and also Doctor's Certificate that the DLA was suffering from liver disease.

Since it was proved that there is a suppression of material facts regarding health of DLA at the time of revival of policy, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No.L-21-005-0136-07
Sri P.G.K. Murthy
Vs
HDFC Standard Life Insurance Co. Ltd.

Award dated 25.9.2006

Facts of the Case : The complainant is the husband of the DLA and nominee under the policy. The disputed policy bearing No.10407914 was obtained by late Smt. P. Sowbhagyam from HDFC under Unit Linked Young Star Plan. The policy was for

Rs.50000/- sum assured and it commenced on 14.11.2005, with a 10-year period. The LA paid an annual premium of Rs. 10,000/- for the first year. The life assured died on 19.12.2005. The claim was repudiated by the insurer on the grounds that the LA obtained the policy by mis-statement regarding her financial status.

As per application for insurance/proposal, the LA was a landlady with an annual income of Rs.150000/-. She also did not disclose existence of another LIC policy for Rs.50000/-. As per their enquiry, the DLA was not a landlady nor did she possess any land in her name. They obtained a certificate from MRO of Nidadavole to that extent. This in effect reduces her status to a housewife and as per their rules they do not issue policies to housewives without matching insurance on husband's life. The complainant has no matching insurance on his life, which amounts to obtaining the policy under question by giving fake information to them.

The complainant admitted that the DLA was not a landlady and that she was a dependent on him. He claimed that the policy was taken with an investment angle.

The insurer claimed that financial status of the applicant is material information for underwriting a risk. Admittedly there was misrepresentation from the DLA's side and hence the complaint was not allowed. However, the insurer was asked to pay the investment content of the premium to the complainant.

Hyderabad Ombudsman Centre

Case No.L-21-001-0112-2006-07

Smt. J. Vidyavathi

Vs

Life Insurance Corporation of India

Award dated 25.9.2006

Facts of the case : The complainant is the nominee under the disputed policy. Late Jangam Gopal S/o J. Yellaiah, R/o Sangareddy, obtained Policy No.643077108 for Rs.50000/- under Jeevan Mitra Triple Cover Plan (T-133) of LIC for 15 years term. The policy was taken under SSS mode and premiums were recovered by LIC up to 06/2004 due month. The LA was transferred from Sangareddy to Mahaboobnagar on promotion in 07/2004. The LA got his address changed in the old Branch on 10.07.2004. As there was no SSS arrangement at the new place of work, the policy records were not transferred to the new place. Consequently no premiums were recovered from the salary of the LA. The LA died on 11.09.2004 suddenly and as the policy was in a lapsed condition on the date of death, LIC repudiated the claim.

The contention of the complainant was that her husband died suddenly on 11.09.2004 and that he was not aware of the fact that there was no SSS arrangement available at new place of work. She requested for settlement of the claim.

As per LIC, premium under the policy were recovered for a period of 2 years and 9 months. Two monthly premiums were in arrears on the date of death and the policy did not acquire any paid up value. As per them, the existing SSS paying authority at Sangareddy became defunct even before transfer of the DLA in 7/2004. The premium for due month 5/2004 and 6/2004 were paid by the DLA himself by cash on 22.7.2004. As per LIC, the LA was aware that his premiums were not being recovered from salary.

Admittedly, the policy was not in force on the date of death, as per policy conditions. As per record, it was observed that the LA had knowledge that his policy premiums were not being recovered from salary.

However, there is a special provision as per LIC's rules relating to policies under SSS. As per the provisions contained in page no.94 of LIC's Claims Manual, they were directed to consider payment of an ex-gratia amount.

Hyderabad Ombudsman Centre
Case No.L-21-001-0096-2006-07
Smt. M. Vijayalakshmi
Vs
Life Insurance Corporation of India

Award dated 29.9.2006

Facts of the case : (Late) M. Bhoopal Reddy S/o Mahaboob Reddy Reddy took a life insurance policy for a sum assured of Rs.200000/- in 3/2003. The life assured died on 15.10.2003 within seven months from the date of commencement of the policy.

The complainant contended that her husband was enjoying good health at the time of taking the policy and her genuine claim should be paid.

The insurer (LIC) investigated the claim since it was an early claim and obtained hospital records from Government General & Chest Hospital, Hyderabad where the DLA took treatment. As per the death summary report dated 24.06.2004, the DLA was suffering from 'Bilateral extensive pulmonary tuberculosis' diagnosed six months back. He was admitted into the hospital on 12.10.2003 and died on 15.10.2003. He was also known diabetic for two years prior to hospitalization.

Since it was proved that there is a suppression of material facts regarding health of DLA at the time of taking the policy, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No.L-21-001-0117-2006-07
Smt. V. Savithri
Vs
Life Insurance Corporation of India

Award dated 29.9.2006

Facts of the case : (Late) V. Jayarami Reddy S/o Guruva Reddy obtained following three policies from Markapur Branch of LIC's Nellore Division.

Policy No.	840959310	670333486	71835022
Date of commencement	28-3-1999	28-7-1991	28-3-1986
Sum assured	200, 000	100, 000	100, 000
Plan & Term	14-20	14-20	75-20
Mode of premium	Yly	Yly	Hly
Instalment premium	12517.00	5424.20	Rs.3465.00
FUP at the time	03/2000	07/1997	03/1997

of revival

Date of DGH	30-5-2002	20-4-2002	20-4-2002
Date of revival	10-7-2002	22-5-2002	28-5-2002
Date of medical exam.		20-4-2002	20-4-2002 20-4-2002
Date of death	22-9-2002		
Duration from revival date	0Y-2M-12D	0Y-4M	0Y-3M-24D
Date of repudiation	20-3-2003	20-3-2003	20-3-2003

Policies were revived in 2002 by the life assured by paying arrears of premium almost for a period of five years on the strength of a DGH and Medical Report. The life assured died on 22.09.2002 due to obstructive jaundice.

The claims were repudiated by LIC alleging that the DLA was admitted into Global Hospital, Hyderabad from 23.08.2002 to 06.09.2002 with complaints of obstructive jaundice, anorexia, loss of weight, fever etc. DLA underwent cholecystectomy, duodenostomy on 24.08.2002 which is prior to revival of the policies and that revival was secured suppressing material information. They produced hospital record and also medical certificate from Dr. D. Nageswar Reddy, who treated the DLA during his terminal illness, as per which the DLA underwent ERCP and stenting, was suffering from recurrent jaundice for the past two years. They also obtained DMR's opinion, who opined that history of jaundice leading to stenting of common bile duct cannot just happen in few days time.

The contention of the complainant was that her husband was not suffering from recurrent jaundice for two years before revival of the lapsed policies as alleged by LIC and her husband was healthy at the time of revival and her genuine claims should be paid.

Since it was proved that there is a suppression of material facts regarding health of DLA at the time of revival of policies, the complaint was dismissed.

Kochi Ombudsman Centre
Case No.IO/KCH/LI/21-001-326/2005-06
Shri.V.S.Kailasnath
Vs
Life Insurance Corporation of India

Award dated 5.4.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to rejection of a death claim by the insurer under Pol.No.782979164 held by the wife of the complainant. The policy commenced on 19.2.2005 and the third quarterly premium due 19.8.2005 was not paid even within the grace period of 30 days expiring on 19.9.2005. The life assured was diagnosed to be suffering from Cancer and she was undergoing treatment. She died on 3.10.2005. Her husband being abroad and the children being of tender-age there was no one to look after her financial affairs and the policy lapsed. However, as per the insurance regulations, this Forum was unable to help the complainant. The policy had lapsed without acquiring any paid-up value and nothing at all was payable. The rejection of the claim by the insurer was found to be properly grounded and justified. The complaint was therefore dismissed.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-001-300/2005-06
Smt.Anitha John
Vs
Life Insurance Corporation of India

Award dated 26.4.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim under Pol.Nos.390208483 and 780919914 held by the husband of the complainant. The policies were taken in the year 1995 and 1993 respectively. As the policies lapsed, they were revived on 22.11.2002 on the strength of a Declaration of good health which did not show anything adverse about the health condition of the life assured. In fact, the life assured was an inpatient of the Kerala Institute of Medical Sciences, Thiruvananthapuram between 8.3.2003 and 15.3.2003 for cirrhotic liver with portal hypertension. He had pulmonary tuberculosis 2 years back taking the period of illness to the year 2001. These facts were concealed in the DGH and hence the insurer had repudiated the claim. Since non-disclosure of material facts was self-evident, the insurer's action in repudiating the claim was found fully justifiable. However, the paid-up value under both the policies should have been paid by the insurer by now. Since that also was not done, the insurer was asked to settle the paid-up value under both the policies with simple interest of 5% from the date of repudiation of the claims to the actual date of payment of the paid up value.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-001-337/2005-06
Smt.A.Prasanna Babu
Vs
Life Insurance Corporation of India

Award dated 17.5.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 arose out of repudiation of a life insurance claim under Pol.No.782647925 held by the husband of the complainant. The policy commenced on 28.9.2002 on the basis of a proposal dated 26.8.2002, a medical report dt.3.9.2002 and an NRI questionnaire dt.10.9.2002. The policyholder died at Dubai on 1.1.2005. On investigation of the claim, the insurer found out from the passport that the life assured had left India for Dubai on 2.5.2002 and on the dates of the documentation cited above, he was abroad. The agent and medical examiner of the insurer had played a mischief. It has come out in evidence that the proposal and other papers were got signed by the agent about two weeks prior to the departure of the life assured, but submitted the same to the office only in Sept.2002. Therefore, the life assured being away from India since May 2002, the papers, manipulated and submitted to the insurer by the agent in Sept.2002, defeated the object of the contract, which became null and void. The insurer had taken action against the agent. On the whole, the mischief was perpetrated by the agent and the party who signed and handed over the papers along with the money to the agent was seemingly innocent. However, since the contract was rightfully declared null and void, the repudiation of the claim was upheld by this Forum. The insurer was asked to refund all premia paid so far to the complainant as ex-gratia and recover the policy expenses from the agent.

Complaint No. IO/KCH/LI/21-001-004/2006-07

Smt.Sathydevi

Vs

Life Insurance Corporation of India

Award dated 30.5.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim by the insurer. The complainant's mother late Smt.Syamala had taken a life insurance policy (No.782512483) commencing from 15.3.2002. The life assured died on 3.11.2004 due to Coronary Artery disease. The claim was repudiated based on the statements of a Doctor who had mentioned that the life assured had Chronic Pulmonary disease for the past 20 years and Diabetics for 10 years. However, there were no treatment records. The insurer had stated that other than the remarks of the Doctor, they had absolutely no evidence of the disease. The life assured was a Harijan Woman employed in the SC/ST Hostel as a Watchman/Sweeper and she had signed the proposal form in Malayalam. She had no knowledge of English. In the absence of corroborative evidences, the insurer could not jump into such conclusion based on an unsupported statement of a Doctor. In the circumstances, the repudiation was found to be unjustifiable in the eyes of law and therefore the insurer was directed to honour the claim.

Kochi Ombudsman Centre

Case No. IO/KCH/LI/21-001-331/2005-06

Smt.C.Vijayakumari

Vs

Life Insurance Corporation of India

Award dated 30.5.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of repudiation of a Life Insurance claim by the insurer under Pol.No.781634169 held by the husband of the complainant. The complainant's husband – Late Shri.Bhaskar had given a proposal for insurance on 10.2.2003 which resulted into the policy cited above commencing from 20.2.2003. In the proposal form, the insured had stated nothing adverse about his health and the question No.11(c) relating to the period of absence from work place on medical grounds was answered in the negative. The life assured died on 2.4.04. From the Employer's certificate (Southern Railway), it was found out that the life assured was on long medical leave for two spells from 26.12.01 to 18.2.2002 and 29.6.2002 to 19.8.2002. The cause of death was presumed to be heart failure. At the time of death the life assured was around 50 years of age. These circumstances prompted the insurer to repudiate the claim for concealment of material facts. From the records, the willful suppression of a material fact being very clear, the insurer's action in repudiating the claim was found justifiable. The complaint was therefore dismissed.

Kochi Ombudsman Centre

Case No. IO/KCH/LI/21-001-021/2006-07

Smt.P.V.Sarojini

Vs

Life Insurance Corporation of India

Award dated 31.5.2006

The complaint under Rule No.12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of repudiation of a death claim under Pol.No.771780216 held by one Shri.Sadanandan, who expired on 17.3.2005 at West Fort High Tech Hospital, Trichur due to cirrhosis of liver, hepatic encephalopathy and Cardio-respiratory arrest. The policy commenced on 11.12.2003 on the basis of a proposal dated 5.12.2003 where under all health related questions were positively affirmed as good by the life assured. However, on investigation of the claim, it was revealed that the life assured was an inpatient of the West Fort Hospital from 9.12.2003 to 27.12.2003. When the first premium deposit was made over to the insurer's office on 11.12.2003, the life assured was in the hospital. The complainant who is the mother of the life assured confessed before this Forum that the life assured was an alcoholic for 4 years prior to Insurance and further that he was suffering from intermittent fever for about six months before proposing for insurance. Prima-facie, the insurance was taken out with fraudulent intentions and the material adverse factor regarding health which the life assured knew already were wilfully suppressed. In the circumstances, the repudiation of the claim was found fully justifiable and the complaint was dismissed.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-003-026/2006-07
Ms.Anu Mathew
Vs
Tata AIG Life Insurance Co.Ltd.

Award dated 21.6.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of repudiation of liability under three different Tata AIG Policies. The policies were commenced in March 2004, May 2002 and March 2005 based on applications by the life assured declaring his health as perfectly okay. But, on his death in Nov.2005, an investigation was conducted which revealed that the life assured had heart problems right from 2002 as evidenced by the Treadmill test on 30.9.2002 which had disclosed an old inferior wall MI. For suppression of material facts, the claims were repudiated by the insurer and their action was found justified. The insurer's action was therefore upheld. However, the insurer had offered to pay the Account Value of Bid price under the policies and it was directed that the same may be paid. The complaint was thus disposed of on merits.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-003-033/2006-07
Smt.Suseela S Nair
Vs
Tata AIG Life Insurance Co.Ltd.

Award dated 12.7.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to rejection of death claim of one Mr. Sasidharan Nair, whose life was covered under Pol. No. C330105109 with the respondent Co. The complainant is the wife/nominee of the life assured, whose claim was rejected by the respondent Company stating non-disclosure, suppression and mis-representation of material facts on the part of the life assured while applying for the insurance coverage. The life assured died on 19.10.2005. In the medical certificate it was stated that the insured was a known case of hypertension not on regular medications. It did not mention any particular duration of

the disease. The insurer did not have any incontrovertible proof to corroborate their point of contention. On 18.10.2005, i.e., one day earlier to his death, the life assured was admitted in Mary Queens Hospital, Kanjirappally with cerebro vascular accident (R) Hemiplegia & hypertension; from the medical certificate issued by the said hospital it was revealed that the insured was never treated there earlier. Without any supporting evidence to substantiate the pleadings of the insurer, this Forum, on a careful scrutiny and analysis of the entire records, directed the insurer to honour the claim in full for the benefits envisaged under the policy to the complainant.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-001-028/2006-07
Smt.Rema Sasi
Vs
Life Insurance Corporation of India

Award dated 27.7.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a death claim under Pol.No. 771710266 held by the husband of the complainant. The policy for Rs.25000/- had commenced on 21.10.2002 and the proposal for insurance contained nothing adverse about the health of the life assured. However, the early claim investigation revealed that even as far back as March 2002 he was an inpatient of AIMS Kochi for Tuberculosis. However, the fact remained that the life assured was educated only upto 5th standard and he could not understand English. The proposal form in English was reportedly filled up by the Agent. In the absence of proper knowledge of the questions, the life assured could not be said to have intentionally suppressed any fact from the insurer. However, the case was hit by Section 45 of the insurance Act 1938 and hence the repudiation as such was maintainable. The complainant hailed from very poor conditions and she had three grown-up daughters, none of whom were married off as yet. She is also a sickly person. Considering the compassionate circumstances of the family, an ex-gratia of Rs.10,000/- was granted while maintaining the order of repudiation.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-001-048/2006-07
Smt.P.K.Naseema
Vs
Life Insurance Corporation of India

Award dated 22.8.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim under Pol.No.794342505 held by the husband of the complainant. The policy had commenced on 22.9.2004 with no adverse features mentioned in the proposal about the health and habits of the life assured. However, after the death of the life assured on 16.4.2005 at UAE, the early claim investigation conducted by the insurer revealed that the life assured had undergone a hernia operation on 15.7.2004 and he was an inpatient of the West Coast Nursing Home, Kannur from 14.7.2004 to 17.7.2004. These facts were not disclosed in the proposal for insurance and hence there was a clear case of suppression of material facts. The repudiation of the claim was, therefore, found to be proper and justifiable and the complaint was disposed of by granting a small ex-gratia of Rs.3000/- to the complainant considering her poverty and other personal difficulties.

Kochi Ombudsman Centre
Case No.IO/KCH/LI/21/001/056/2006-06
Smt.Sheeba Kuriakose
Vs
Life Insurance Corporation of India

Award dated 22.8.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 came up due to repudiation of a life insurance claim under Pol.No.774422517 held by the husband of the complainant. The complainant's husband had commenced the policy on 22.12.2003. He died on 25.6.2005 due to Gastro intestinal bleeding and liver failure. The hospital records (Lakeshore Hospital, Kochi) had shown clearly that the life assured was a Diabetic patient with history of high blood pressure for 10 years. He was also reportedly an alcoholic. The proposal for insurance dated 22.12.2003 had not disclosed anything adverse about the health and habits of the life assured. The claim was repudiated by the insurer for suppression of material facts for which there was clear evidence. On examination of the case, the insurer's action was found fully justifiable and therefore the repudiation was upheld dismissing the complaint as devoid of merits.

Kochi Ombudsman Centre
Case No. IO/KCH LI/21-001-044/2006-07
Smt.T.Jayasree
Vs
Life Insurance Corporation of India

Award dated 23.8.2006

The complaint under Rule No.12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a life insurance claim by the insurer under Pol.No.792205757 held by the husband of the complainant. The policy was for Rs.30,000/- and it commenced on 14.8.1999. The policy lapsed due to non-payment of premium from August 2001 to August 2004 and was revived on 1.1.2005 as an SB cum revival. However, from the claim forms and investigations, it was revealed that on 6.7.2004, the life assured was diagnosed to be Carcinomatic and he was even referred to the Regional Cancer Centre, Trivandrum from the Medical College, Calicut. However, these details were not mentioned in the Declaration of good health form submitted for revival on 1.1.2005 and hence the insurer had repudiated the claim. However, the complainant came from very poor financial circumstances and she had two daughters of tender age to look after. Considering the pitiable plight of the complainant, although the repudiation was upheld, the insurer was asked to pay a small amount of Rs.4000/- to the claimant as ex-gratia.

Kochi Ombudsman Centre
Case No.IO/KCH/LI/21-009-041/2006-07
Smt.N.C.Mary
Vs
Bajaj Alliance Life Ins.Co.Ltd.

Award dated 29.8.2006

The complaint under Rule No.12(1)(b) read with Rule 13 of the RPG Rules 1998 relates to repudiation of a life insurance claim under Pol.No.2934322 and 340076 by the insurer. The policies were issued to the husband of the complainant – Late Sri Rex Joseph on 8.5.2002 and 29.9.03 by the respondent insurer. The life assured died on 5.8.2004 due to Cirrhosis of liver, portal hypertension and Hepato Cellular carcinoma. The records from the Lakeshore Hospital, Kochi clearly stated that the life assured was diagnosed to be suffering from Liver Cirrhosis 10 years back i.e., much before the issuance of the policies. In these circumstances, based on an investigation, the insurer had repudiated the claim. As per the available records, the action taken by the insurer was fully justifiable and hence the repudiation was upheld. The complaint was dismissed as devoid of merits.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-001-104/2006-07
Smt.Vimala Shanmughan
Vs
Life Insurance Corporation of India

Award dated 19.9.2006

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 relates to repudiation of a death claim by the respondent insurer under Pol.No.782150199 held by the husband of the complainant. The life assured died on 27.6.2005 due to Astrocytoma Gr.II and Cardio Respiratory arrest. The policy that commenced on 10.11.99 was revived on 28.5.2003 on the basis of a personal statement of health which did not disclose anything adverse about the health of the life assured. However, on investigation, it was found that he had undergone a surgery at the Medical college Hospital on 20.7.2001 (Lt.Parietal Craniotomy and decompression). Besides, he was also a registered patient of Regional Cancer Centre at Trivandrum from 1.8.2001. In these circumstances, the insurer had repudiated the claim although a survival benefit under the policy was paid in between. The decision of the insurer was found correct in view of the suppression of material facts and therefore the repudiation was upheld. The complaint was dismissed with a direction to the insurer not to re-open the payment of survival benefit already made.

Kolkata Ombudsman Centre
Case No. 710/21/002/L/01/2005-2006
Smt. Meena Devi
Vs
SBI Life Insurance Co. Ltd.

Award dated 17.04.06

Facts & Submissions : The complaint is regarding non-payment of group insurance value arising out of death of Shri Laxmi Narayan Sah.

Smt. Meena Devi stated that her husband was an employee of SBI, Teghra Branch, District Begusarai, Bihar. He expired during the tenure of his service. The claim was not admitted on the ground that the Insured had not fulfilled the 'eligibility criteria'. She contended that her husband was not a patient of disease covered under critical illness as per the conditions of the Group Insurance Scheme. She had submitted necessary

medical reports, prescriptions about his past treatment wherein there was no mention of his treatment of diseases covered under critical illness. Her husband got reimbursement of expenses of medical treatment and the same was known to the authorities. If he had suffered under critical illness, how was he allowed to be a member of the scheme and premium deducted from his salary. She represented to the authority on 18.12.05, but she did not get any reply. Being aggrieved, she has approached this forum and sought a relief of Rs. 3,00,000/- plus interest.

SBI Life Insurance Co. Ltd. stated that the complaint was a highly belated one. The claim under the group policy was repudiated vide letter dated 17.08.04 addressed to Branch Manager, SBI, Teghra Branch – a fact admitted by the complainant in her complaint dated 16.01.06. She also admitted that she had written to the SBI insurance company only on 18.12.05, nearly 16 months after the cause of action arose. The Insurer stated that Shri Laxmi Narayan Sah (Member) had joined the SBI Life Group Insurance Scheme vide his Declaration of Good Health (DGH) dated 29.08.03 for a sum assured of Rs.3,00,000/-. He died on 13.03.04 due to “Heart Stroke”. Their investigation established that the member was suffering from Hypertension for nearly 12 years before his DGH. In September’02, the member was scanned which showed “Brainstorm Hemorrhage”. He was also suffering from CVA, IHD, etc. before he was covered by the policy. SBI Life, therefore, came to the conclusion that the Member had suppressed material facts regarding his health and had filed a false DGH. They therefore, repudiated the claim vide their letter dated 17.08.04.

Decision : The claim was repudiated by SBI Life vide their letter dated 17.08.04 for the following reasons:

“We wish to inform you that the ailment was pre-existing, the deceased member was suffering from the critical illness at the time of joining the Scheme. Thus on the grounds of not fulfilling the “Eligibility Criteria”, we are unable to settle the aforesaid claim.”

The question for consideration is whether the complainant was suffering from an illness, which could be considered as critical within the meaning of the terms as defined in the policy. The critical illness was defined in the declaration form is as follows:-

“** The employee (and his spouse, if applicable) should not:

- i) have suffered or be suffering from cancer.
- ii) be taking treatment for heart disease.
- iii) have been advised medically to undergo chest and/or heart surgery within the following six months.
- iv) have irreversible kidney and/or irreversible liver failure.
- v) have suffered or be suffering from paralysis
- vi) have undergone or been advised to undergo a major organ transplantation such as heart, lung, liver or kidney.”

The complainant while taking the policy made the following declaration under point 5 of the Consent-cum-Authorization letter dated 29.08.03 :-

“I declare that I am in sound health and that I am not suffering from any critical illness** or any condition requiring medical treatment for a critical illness as on date. I

have not been hospitalized for a period of more than 20 consecutive days in the last 12 months (this period does not include hospitalization, if any, for reasons of injuries and accidents). I am presently not on medical/sick leave.”

The DLA Shri Laxmi Narayan Sah, was admitted as member under SBI Life Group Insurance Scheme on the basis of his DGH dated 29.08.03 for a sum assured of Rs.3 lakhs. He died on 13.03.04 – nearly 7 months after the commencement of the policy. On enquiry the Insurer found that the DLA was suffering from hypertension for nearly 12 years before DGH. Prescription dated 07.09.02 of Dr. R.P.Chaudhary showed that DLA had history of known hypertensive for last 10 years. Prescription dated 05.09.02 of Dr. Dinesh Singh showed that DLA was suffering from CVA, IHD. CT Scan report dated 07.09.02 of Ganga Scan Centre showed “Brainstem Haemorrhage”. In view of the previous history of illness the declaration of health by the DLA was not true. The DLA was also aware of what was critical illness – the illness being defined in the declaration form itself. Such critical illness included treatment for heart disease – a disease which the complainant suffered for a number of years as mentioned above.

The policy was issued to the DLA on the basis of his declaration of good health. DLA was an employee of SBI, in the category of MNGS. The Insurer issued the policy in good faith without making any enquiry about the truthfulness of his declaration. It was only during investigation following his death that the previous history of heart ailments came out in the open. The complainant also has not given particulars of treatment the DLA had before taking the policy and what were the details of reimbursement made by the employer. There is no comment from the employer about eligibility of the DLA to become a member of the Group Insurance Scheme.

In view of the above position, it was held that there was suppression of material fact in the proposal for taking the policy. SBI Life Insurance Company were justified in repudiating the claim. The decision was upheld.

Kolkata Ombudsman Centre
Case No. 719/24/001/L/01/2005-2006
Shri Dinanath Prasad
Vs
Life Insurance Corporation of India

Order Dated 19.04.06

Facts & Submissions : The complaint is regarding non-receipt of death claim arising out of death of Shri Kishori Prasad Sah.

Shri Dinanath Prasad stated that his father took a policy on 28.12.89 for sum assured of Rs. 50,000/- and the nominee was Shri Ganesh Prasad. After few days, his father applied for change of nomination on 24.08.04 in favour of the complainant i.e., Shri Dinanath Prasad, cancelling the earlier nomination. His father died on 07.11.05. He submitted all the documents to LIC Madhubani Branch, followed by personal visits, but till date they have not settled the claim citing the reason that as per LIC record, nominee was Shri Ganesh Prasad. He contended that he should not be penalized for LIC's inaction of not changing the nomination in his favour. Being aggrieved, he has approached this forum and requested for early settlement of death claim.

LIC, Muzaffarpur DO stated that the policy commenced on 28.12.1989 under Table & Term 14/18. The policyholder died on 07.11.2005 due to cardiac failure. Both the sons

of the deceased life assured (DLA) Shri Dinanath Prasad and Shri Ganesh Prasad claimed to be the nominee of the policy and demanded the policy money. LICl could not settle the claim because of rival claim. LICl, however, wrote a letter dated 23.03.06 to Shri Ganesh Prasad as follows:

“We would like to intimate you that under said paid policy Shri Dinanath Prasad, another son of DLA has been made nominee. So as per rules, we have to settle claim in his favour.

If you have any right to claim amount, you must submit legal evidence within 20 days of receipt of this letter failing which we will be left with no option but to proceed for settlement of claim.”

LICl further stated that in the proposal Smt. Ram Kali Devi, wife was made the nominee. On 26.10.03, the life assured gave notice for change of nomination and Shri Ganesh Prasad, son of DLA, was made nominee. LICl, accordingly, effected the change of nomination in their records. On 24.08.04 the life assured again gave notice with endorsement on policy bond for a second change in nomination in favour of another son Shri Dinanath Prasad. On 09.09.04 the life assured applied for policy loan, which was sanctioned on 10.09.04 and the policy bond was in the custody of LICl w.e.f. 10.09.04. LICl stated that as per rules, claim amount would be payable to the new nominee i.e., Shri Dinanath Prasad. LICl, however, wrote a letter dated 23.03.06 to Shri Ganesh Prasad apprising him of LICl’s rule and gave him 20 days time to produce legal evidence.

Decision : We find that the proposer first made Smt. Ram Kali Devi, his wife as the nominee and then on 26.10.03, he changed the nomination in favour of his son Shri Ganesh Prasad. LICl, accordingly, effected the change of nomination in their records. On 24.08.04 the life assured again gave notice with endorsement on policy bond for a second change in nomination in favour of another son Shri Dinanath Prasad. On 09.09.04 the life assured applied for policy loan, which was sanctioned on 10.09.04 and the policy bond was in the custody of LICl w.e.f. 10.09.04. LICl, in the mean time, have written a registered letter dated 23.03.06 to Shri Ganesh Prasad mentioning that as per rule LICl will settle the claim in favour of Shri Dinanath Prasad and gave him 20 days time to produce legal evidence. We hold that LICl was justified in taking the decision. LICl were directed to settle the death claim as per rules in favour of Shri Dinanath Prasad, if they do not receive any legal notice within thirty days from the date of receipt of this order.

Kolkata Ombudsman Centre
Case No. 768/24/001/L/02/2005-2006
Shri Ganesh Chandra Jha
Vs
Life Insurance Corporation of India

Order Dated 24.05.06

Facts & Submissions : The complaint is regarding non-settlement of death claim arising out of death of Smt. Shubh Kala Devi Shri Ganesh Chandra Jha stated that his wife died on 14.01.2003 and he submitted all the claim papers in mid 2003. Muzaffarpur Divisional Office had called him twice for some irrelevant queries which they could have seen in their computer records and asked about the treatment records of the assumed hypertension of his deceased wife. He replied to the queries and contended that his wife was never a patient of hypertension, but till date LICl did not

settle the claim. Being aggrieved, he has approached this forum and requested for early settlement of death claim along with penal interest @ 9%.

Muzaffarpur Divisional Office intimated that death claim under the aforesaid policy has been settled by Madhubani Branch and they issued a cheque bearing no. 0739104 dated 31.03.06 favouring Shri Ganesh Chandra Jha for Rs. 53550/-.

Since LIC have settled the death claim for Rs. 53550/- vide cheque no. 0739104 dated 31.03.06, no further order is called for from our end.

Kolkata Ombudsman Centre
Case No. 562/21/001/L/11/2005-2006
Smt. Shankari Chakraborty
Vs
Life Insurance Corporation of India

Order Dated 30.05.06

Facts & Submissions: The complaint is regarding repudiation of death claim arising out of death of Shri Madan Mohan Chakraborty Smt. Shankari Chakraborty stated that after the demise of her husband she submitted all the claim papers to Bashirhat Branch on 28.01.04. But the insurance company repudiated the claim on ground of suppression of material facts at the time of revival. Being aggrieved, she has approached this forum and requested for settlement of claim.

LICI, KSDO stated that the life assured took the aforesaid policy with date of commencement 28.06.01. The policy was allowed to lapse for non-payment of quarterly premiums due from 12/2002 to 06/2003. The policy was then revived on 17.07.2003 by paying 3 Qly. due premiums at a time on the strength of Personal Statements regarding Health (Form No. 680). But after expiry of 1 month 23 days from the date of revival the DLA died on 10.09.2003 due to Thrombotic, Thrombocytopenia Purpura, Acute Renal Failure and Panhypopituitarism. The complainant preferred the claim by submitting some evidences of death as well as requirements as asked for. On going through the documentary evidences as submitted by the complainant, LICI came to know that the life assured had withheld material information regarding his health at the time of effecting the revival of policy. The DLA had suffered from Addison's disease and Gastritis and was admitted in hospital from 21.12.2001 to 09.01.2002, but the same was not disclosed by the DLA at the time of effecting the revival of policy. LICI, therefore, repudiated the claim on the ground of suppression of material facts. On review at the instance of the complainant, the Zonal Claim Review Committee upheld the decision of repudiation.

Decision : We find that the policy was revived on 17.07.03 by paying 3 Quarterly premiums due from 12/2002 to 06/2003 on the strength of Personal Statements Regarding Health. Claim Form B-1 executed by CMRI recorded that the DLA was admitted in the hospital on 21.12.2001 and had taken treatment up to 09.01.2002 due to Gastritis. Claim Form B recorded the cause of death as "Thrombotic in a case of thrombocytopenia Purpura, Acute Renal Failure, Panhypopituitarism. The nature of these diseases are chronic in nature and developed not in a day. Medical Certificate of Cause of Death issued by CMRI on 10.09.03 recorded that the DLA was admitted in the hospital on 04.09.03 and died on 10.09.03 and was suffering from Panhypopituitarism

since 4 months. Case History Form of CMRI recorded that the DLA was known case of "Panhypopituitarism with hypoglycaemia etc. Similar episodes previously occurred."

It was, therefore, held that there was suppression of material fact and LICl was justified in repudiating the death claim.

Kolkata Ombudsman Centre
Case No. 489/24/001/L/10/2005-2006
Shri Biswanath Saha
Vs
Life Insurance Corporation of India

Order Dated 19.06.06

Facts & Submissions : The complaint is regarding delay in settlement of claim arising out of death of Shri Sarovar Kumar.

Shri Biswanath Saha's son died on 04.07.03. He submitted all the documents to Saharsa Branch and the Branch, in turn, sent the papers to Bhagalpur Divisional Office on 14.02.04, but in spite of repeated reminders LICl did not settle the claim. Being aggrieved, he has approached this forum and requested for early settlement of death claim.

LICl, Bhagalpur DO stated that the life assured died due to electric shock at Amritsar. LICl called for certified copies of FIR, PMR and PFR from the claimant on 28.03.04, followed by reminder letter dated 06.06.06, but the claimant did not submit the requirements. LICl, therefore, could not settle the claim.

Decision : The complainant did not submit the P-II & P-III forms, mandatory for considering a complaint, in spite of our reminder dated 07.12.05. We mentioned in the letter that if there was no response from the complainant within one month, we would presume that the case has been resolved by the insurance company and the complaint would be closed at our end. We also find from the self-contained note dated 07.06.06 that the complainant has not submitted the requirements as desired by LICl in their letter dated 28.03.04 followed by reminder dated 06.06.06. We, therefore, hold that the complainant is not interested in pursuing the case and no interference is called for from our end.

Kolkata Ombudsman Centre
Case No. 778/24/001/L/02/2005-2006
Smt. Rakhi Sengupta
Vs
Life Insurance Corporation of India

Order dated 26.06.06

Facts & Submissions : The complaint is regarding non-settlement of death claim arising out of death of Shri Ranjan Sengupta. Smt. Rakhi Sengupta stated that her uncle had taken a policy from Gariahat Branch. He expired on 24.05.04 due to Cardio Respiratory Failure (CRF). She submitted all the documents to the Branch Office on 14.09.05, but till date LICl did not settle the death claim. Being aggrieved, she has approached this forum and sought a relief of Rs. 25,000/- as per 'P' form.

LICI, Kolkata Metropolitan Divisional Office - II stated that after the demise of the life assured necessary forms were issued to the claimant and she submitted the forms on 14.09.05. After scrutiny of the claim, certain requirements were called for vide memo dated 19.01.06 for assessment of the claim. The requirements were as follows:

- i) Fresh Claim Form 'A'
- ii) Claim Form 'B1' from SSKM Hospital
- iii) All treatment particulars of intracerebral metastasis i.e., x-ray, CT scan, pathological reports, prescriptions, etc.

Since the complainant did not submit the requirements, LICI sent a reminder on 02.03.06, but till date the complainant did not comply with the same. LICI, therefore, were unable to consider the claim for want of aforesaid requirements.

Decision : We find from Claim form 'B' that the deceased life assured (DLA) died on 24.05.04 due to CRF in a case of multiple intra cerebral metastasis with mass effect. We also find that few points were left blank in the claim form 'B' and also as per point no. (7) the DLA was treated at SSKM and Bharat Sevashram Sangha Hospitals. Whereas a blank claim form 'B1' (Certificate of Hospital Treatment) was submitted. It was held that the requirements called for by LICI vide their letter dated 19.01.06 were justified. The complainant was directed to submit the requirements sought for by LICI within thirty days from the date of receipt of this order. LICI was also to consider the case on merit.

Kolkata Ombudsman Centre
Case No. 858/21/001/L/03/2005-2006
Smt. Basanti Bhaduri
Vs
Life Insurance Corporation of India

Award dated 26.06.06

Facts & Submissions : The complaint is regarding repudiation of death claim arising out of death of Shri Goutam Bhaduri.

Smt. Basanti Bhaduri informed City Branch No. 22 on 5th February 2003 about the death of her husband, who expired on 21.01.03. But LICI repudiated the claim vide letter dated 27.04.04 on the ground that her husband suppressed material information regarding his health. She wrote to Zonal Office on 25.05.04 but they also upheld the decision of Divisional Office. Being aggrieved she has approached this forum and requested for early settlement of claim.

LICI, Kolkata Metropolitan Divisional Office - I stated that the life assured, a serviceman at Central Valuation Board, took the above policy on his own life. He expired at his own residence on 21.01.2003. Death was intimated by the nominee on 05.02.03 and accordingly claim forms were issued. The nominee returned the forms after proper execution. On scrutiny of the papers LICI came to know from the Case History Sheet (CHS) of Kolkata Medical College Hospital that the deceased life assured (DLA) had H/o of "HTN 20 years back". The case was referred to DMR who opined that chronic renal failure was a known complication of longstanding systematic HTN. This history of HTN was not disclosed by the life assured at the time of proposal. LICI, therefore, repudiated the claim on 08.04.04 on ground of suppression of material fact regarding health at proposal stage and conveyed the same to the complainant vide

their letter dated 27.04.04. The complainant represented the case to Zonal Office, who upheld the repudiation decision and the same was conveyed to her on 21.12.05.

Decision : We find from Claim form 'B' signed by Dr. Ratan Majumder that the DLA died on 21.01.03 due to cardio respiratory failure in a case of Uraemia". He was treated by Dr. Majumder at Panihati S.G. Hospital from 06.01.03 to 08.01.03 for respiratory difficulty and fullness of abdomen and the diagnosis was "ART & Acidity". We also find from Claim Form 'B1' that the DLA was treated at Kolkata Medical College & Hospital from 11.01.03 to 19.01.03 with complaint of "Respiratory distress" and the diagnosis was "Pneumonia with acute Psychosis". The History Sheet of Kolkata Medical College furnished by LIC I KMDO-I showed a tick mark for "HTN 20 years back". The same history sheet mentioned "No previous history, not asthmatic, no chest pain" and negative results for Urine Sugar and Ketone. Claim form 'E' furnished by DLA's employer showed that the DLA availed of leave on medical ground from 06.01.03 to 21.01.03 (date of death) but no previous medical leave was mentioned for last 3 years before death and the DLA attended office up to 05.01.03.

LICI could not produce any other proof for chronic renal failure or proof for HTN for last 20 years . Since it could not be established that the cause of death of the DLA was related to HTN, we hold that the decision of LICI for repudiating the claim was not justified. LICI was directed to settle the claim for sum assured of Rs.65,000/- .

Kolkata Ombudsman Centre
Case No. 534/24/001/L/11/2005-2006
Smt. Meena Devi
Vs
Life Insurance Corporation of India

Order dated 21.07.06

Facts & Submissions : The complaint is regarding delay in settlement of death claim. Smt. Meena Devi's husband died on 29.02.04. She submitted all the documents to LIC I Laheria Sarai Branch on 11.04.05 but even after a lapse of 4-5 months she did not receive the death claim proceeds. She approached the concerned Branch Office a number of times but to no avail. Being aggrieved, she has approached this forum for early settlement of death claim.

LICI, Muzaffarpur Divisional Office stated that the life assured was missing since 14.02.04 and the information was lodged with Policy Station on 29.02.04, the date on which the dead body was recovered. Premium in respect of quarterly due 01/04 was remitted on 25.02.04 at Laheriasarai Branch. Investigation in respect of the case was entrusted to Jalpaiguri Divisional Office since the place of death was under their jurisdiction. LICI, in their letter dated 09.06.06, further stated that the claim for Basic Sum Assured plus DAB was admitted and the policy docket was sent to the Branch Office for payment of claim. LICI, Laheria Sarai Branch vide their letter dated 07.07.06 stated as under:

"The said claim was preferred by Smt. Meena Devi, nominee of the policy, on 24.02.06, the claim was early in nature. Therefore, it had to be considered by our Divisional office. Our Divisional Office admitted the claim vide their letter dated 05.06.06 and despatched to us for disposal. On receipt of the docket, we have communicated to the claimant to submit D.V. and Policy Bond. The claimant submitted D.V. and incomplete indemnity bond. We would like to add here that the claimant has lost the original policy bond. Yesterday we approached the person who has signed the indemnity bond as

surety. On completion of indemnity bond, today we have settled the death claim in favour of nominee vide cheque no. 005638 dated 07.07.06 for BSA and cheque no. 005637 dated 07.07.06 for DAB. The total amount settled is Rs. 2,11,240/-."

Since the death claim has been settled by LIC vide cheque no. 005638 dated 07.07.06 for Basic Sum Assured and cheque no. 005637 dated 07.07.06 for DAB, no further action is called for from our end.

Kolkata Ombudsman Centre
Case No. 860/21/001/L/03/2005-2006
Shri Ayan Chaudhuri
Vs
Life Insurance Corporation of India

Order dated 24.07.06

Facts & Submissions : The complaint is regarding repudiation of death claim arising out of death of Smt. Krishna Chaudhuri.

Shri Ayan Chaudhuri's mother took a LIC policy with date of commencement 28.02.04. She expired on 21.08.04 due to a failed open-heart surgery at Apollo Hospitals, Chennai. He submitted the claim on 28.09.04 through his agent. But LIC repudiated the claim on the ground that her mother gave false information regarding her health at the time of taking the policy. He represented to Zonal Office on 06.04.05 against the decision, but they also upheld the earlier decision.

The complainant stated that her mother was diagnosed with a heart ailment pertaining to her mitral valve and underwent a closed valvotomy surgery in 1988 i.e., 16 years before making the policy at CMC, Vellore. His agent Shri Buddhadeb Misra, advised his mother that any hospitalization/ surgery needs to be mentioned only if it had taken place during the last 7 years. Since this operation occurred 16 years before taking the policy, she did not mention this operation in the proposal form. Subsequent to this operation till the date of taking the policy, general health of her mother was good. She did not require any hospitalization/surgery during the last 16 years and she was not suffering from any chronic ailment like diabetes, tuberculosis, cancer, etc. He was informed in June 2004 that the condition of his mother's heart was not good and she would require open-heart surgery. He was asked by the Branch Manager, CBO-22 to clarify the date of closed valvotomy surgery at CMC, Vellore, since LIC was of the impression that the surgery was conducted in 1998 and not in 1988. He submitted the supporting documents regarding surgery in 1988. He contended that his mother was an educated lady holding a senior position in the SBI and it pained him that LIC questioned her honesty and integrity for a sum of Rs. 1 lakh. Being aggrieved, he has approached this forum and sought a relief of Rs. 1,00,000/- plus interest.

LIC, KMDO-I stated that the life assured took the above-mentioned policy on her own life. She expired on 21.08.2004 at Apollo Hospitals Enterprise Ltd. where she was admitted on 17.08.04. The complainant submitted all the forms, but form 'B' and 'B1' were left blank. LIC stated that the deceased life assured (DLA) had Transvertricular Mitral Volvotomy done on 19.12.1988 at CMC Hospital, which had a direct bearing on the cause of death on 21.08.2004. But the fact was not disclosed by the DLA at the time of proposal. LIC, therefore, repudiated the claim on 28.02.2005 and the same was conveyed to the complainant on 11.03.2005. The complainant represented to Zonal Office, but they also upheld the decision of repudiation. Zonal Office decision was conveyed to the complainant on 05.08.05.

Decision : We find from the Tele-consultation Advise Form dated 29.07.04 of Rabindranath Tagore International Institute of Cardiac Sciences (RTIICS) that the DLA had Transvertricular Mitral Volvotomy done on 19.12.1988 at CMC Hospital, Vellore. She also consulted Dr. Devi Shetty of Narayan Hrudayalaya, Bangalore through video-conference from RTIICS and was advised to go for MVR. We also find from the death certificate dated 22.08.04, issued by Kolkata Municipal Corporation, that the place of death of the DLA was "Apollo Speciality Hospital, Chennai", whereas Claim Form 'B1' (Certificate of Hospital treatment) & 'B' (Medical Attendant's certificate) were left blank. The complainant also, in his complaint dated 08.03.06, submitted that his mother was diagnosed with a heart ailment pertaining to her mitral valve and underwent a Closed Valvotomy surgery in 1988 at CMC, Vellore. She died on 21.08.04 after Mitral Valve replacement at Apollo Hospital, Chennai. We, therefore, hold that the DLA had the same problem, which related to earlier treatment and surgery and there is reason to believe that suppression of material fact occurred willingly or unwillingly. The insurance agent, at the time of filling up the proposal form, acted as a representative of the proposer and not of the insurer. We, accordingly, uphold the decision of the insurance company.

Kolkata Ombudsman Centre
Case No. 767/21/001/L/02/2005-2006
Smt. Anita Giri
Vs
Life Insurance Corporation of India

Order dated 25.07.06

Facts & Submissions : The complaint is regarding repudiation of death claim arising out of death of Shri Nirmal Kumar Giri.

Smt. Anita Giri's husband took a LIC policy with date of commencement 04.03.2003. He died on 05.08.03 due to 'Stroke' at SSKM Hospital, Kolkata. She submitted all the papers to LIC, but LIC repudiated the claim on the ground of 'suppression of material fact'. She stated that Stroke can happen at any time and at any moment and it should not necessarily have been associated with underlying systemic disease always. She contended that her husband did not suffer from Malaria and acute Bronchitis before proposal for insurance. He was medically examined by LIC and found "medically fit" and then only LIC policy was issued. Being aggrieved, she has approached this forum and sought a relief of Rs. 2,00,000/- as per 'P' form.

LIC, Howrah Divisional Office stated that the deceased life assured (DLA) took the above mentioned policy with date of commencement 04.03.2003 from Contai Branch. He was in service with Kolkata University as UGC Clerk. After running the policy for 5 months, he died of CVA on 05.08.03 at SSKM Hospital, Kolkata. LIC stated that the DLA had suffered from Malaria & Bronchitis as per Doctor's certificate dated 30.12.2002. Employer's certificate dated 31.12.2002 showed that the DLA had availed of sick leave from 21.11.2002 to 30.12.2002 (40 days) for Malaria and Bronchitis. Pathological report dated 25.11.2002 showed that the DLA had undergone blood test for malaria and the result was positive. But the DLA did not mention these facts in the proposal form. Had he disclosed the same in the proposal form, underwriting decision would have been different. LIC, therefore, repudiated the claim on 15.01.05. The complainant represented to Zonal Office and Zonal Claim Review Committee (ZCRC) also upheld the repudiation decision and the same was communicated to the complainant on 21.07.05.

Decision : We find from the Doctor's certificate dated 30.12.02 that the DLA was treated by him from 21.11.02 to 30.12.02 for Malarial fever and acute bronchitis. Employer's certificate dated 31.12.02 showed that the DLA had availed of leave on medical ground for 40 days from 21.11.02 to 30.12.02. Pathological report dated 25.11.02 also showed that the DLA had undergone blood test of malaria and the result was positive. It was, therefore, held that there was suppression of material fact and LIC was justified in repudiating the death claim. Decision was upheld.

Lucknow Ombudsman Centre
Complaint No. L-163/21/001/06-07
Smt. Anju
Vs
Life Insurance Corporation of India

Award dated 24.08.2006

Smt. Anju had complained against allegedly unjustified repudiation of claim by L.I.C. of India under policy nos.262203388 & 262203223 on the ground that life assured had committed suicide within 1 year from the date the risk under the policy had commenced. The insurer had relied on the policy condition No.6 relating to suicide incorporated in the policy which provides that the policy shall be void if the life assured commits suicide within 1 year from the date of the policy after the risk under the policy had commenced. The insurer relied on the FIR of the father-in-law of the life assured where he had informed the police that the life assured had died on account of consuming some poisonous article. This was also supported by a news paper report. Since no evidence to contradict the contentions of the insurer was submitted by the complainant, there was no reason to interfere with the decision of the insurer which was upheld.

Lucknow Ombudsman Centre
Complaint No. L-262/21/001/06-07
Smt. Asha Devi
Vs
Life Insurance Corporation of India

Award dated 22.9.2006

Smt. Asha Devi had lodged a complaint to the Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.221671237 on the life of her husband Shri Jai Pal Singh on the ground that he was addicted to alcohol and did not disclose the same in the proposal form. The insurer in support of its decision relied on certificate of hospital treatment and medical attendant certificate issued by GSM University, Lucknow wherein the cause of death was as stated Anoxic Encephalopathy cause severe Anemia cause upper GI bleed Chronic Alcoholic Liver disease and that the life assured was a Chronic Alcoholic. The complainant on the other hand stated that the life assured had met with an accident on 27.03.02 and he died on 08.02.03 as a result thereof after taking treatment from several doctors and submitted certificates from a hospital and one from Dr. S.H. Rahman to the effect that he had met with an accident on 27.03.02 and was under his care up to 01.11.02. On a perusal of the evidence submitted it was held that the death of the deceased life assured was on account of Anoxic Encephalopathy cause severe Anemia cause upper GI bleed Chronic Alcoholic Liver disease as mentioned in the certificate of hospital treatment issued by GSM Medical University, Lucknow. The accident no doubt had

taken place on 27.03.02 but the cause of his death was not accident but as stated above by the hospital authorities. The insurer however, failed to establish that the deceased life assured was addicted to alcohol prior to the date of proposal and that he suppressed the same in the proposal form. As a result, the repudiation letter was set aside and the complainant nominee awarded payment of full basic sum assured alongwith bonus under the policy.

Lucknow Ombudsman Centre
Complaint No. L-25/21/001/05-06
Smt. Bimlesh
Vs
Life Insurance Corporation of India

Award dated 18.08.2006

Smt. Bimlesh Devi had submitted a complaint for unjustified repudiation of claim under policy no.252619812 on the life of her husband late Shri Dev Raj. The claim was repudiated by the insurer L.I.C. of India on the ground that the life assured had suppressed his illness of heart ailment from which he was suffering for more than 1½ years. However no evidence other than the statement from two residents of the locality was produced by the insurer. Even though the claim was repudiated within two years from the date policy was effected, the insurer in order to award liability under the policy was required to establish nondisclosure of material facts related to illness of the life assured by submitting cogent evidence such as doctor's prescription, cash/bill of the medicines taken, treatment taken at hospital or Nursing Home. In absence thereof the repudiation letter issued to the complainant was set aside and full payment of claim amount alongwith bonus was allowed.

Lucknow Ombudsman Centre
Complaint No. L-828/21/001/05-06
Shri Zamin Hasan
Vs
Life Insurance Corporation of India

Award dated 14.08.2006

Shri Zamin Hasan had complained for alleged unjustified repudiation of claim by L.I.C. of India under policy no.252653222 on the life of his wife Smt. Bilkees who had died on account of burn injuries which has taken place on account of falling of oil lamp at her house. The insurer L.I.C. of India had repudiated the claim taking recourse to clause 4B imposed under the policy. The complainant had stated that the conditions of clause 4B were not explained to life assured and that she was having her own income and as such clause 4B should not have been imposed.

Lucknow Ombudsman Centre
Complaint No. L-279/21/001/06-07
Smt. Firdaus Ara
Vs
Life Insurance Corporation of India

Award dated 31.08.2006

Smt. Firdaus Ara had lodged a complaint with the Insurance Ombudsman for alleged denial of DAB Claim by L.I.C. of India under policy no.215050460 on the life of her son

Shri S.M. Shadab. The claim was denied by the insurer on the ground that it was covered under exclusion clause; the action being in breach of law and by causing intentional self injury resulting into death of the life assured. The facts were that the life assured when he was alone had put the his father's pistol on his head and put his hand on its trigger by curiosity, when it fired resulting in his death. It was the contention of the complainant that the incident had happened accidentally. Similar were the findings in police final report and report of Additional City Magistrate (V), Lucknow. It was also stated in this report that there was no breach of law involved. The insurer on the other hand relied on the copy of the FIR filed by the assured's father and copy of the post mortem report. As per the postmortem report, wound no.1 on the head was communicating with wound no.2 in the same line. The insurer's contention was that such kind of wound could be formed when someone intentionally places the pistol on his forehead and presses the trigger.

Looking at the circumstances of the case and in the absence of an eye witness, the conclusions drawn were on circumstantial evidence. The life assured was an educated youth who was expected to have an awareness of the hazards of mishandling a firearm. Accident means a mishap or event not expected or designed. Placing the gun on the side of head and shooting could not have happened unexpectedly, it must have been designed and was a voluntary Act. No evidence to the contrary was produced and the claimant could not establish conclusively that the death of the life assured might have not been caused on account of any breach of law, but that it was caused accidentally. Further, in the absence of incontrovertible evidence to contradict the contention of the insurer that the death was occasioned by intentional self injury caused by gun shot, the repudiation action of the insurer in denying the DAB claim was upheld.

Lucknow Ombudsman Centre
Complaint No. L-231/21/001/05-06
Shri Abdul Hameed
Vs
Life Insurance Corporation of India

Award dated 31.08.2006

Shri Abdul Hameed, the nominee under policy no.292092108 had complained that the claim under policy no.292092108 on the life of his father late Shri Kurban Ali was not repudiated properly on the ground that he had understated his age in the proposal form by about 10 years. The insurer had relied upon a copy of Pariwar register, Ration card and statement from three independent residents of the locality, while the nominee complainant had relied upon the copy of Pariwar register wherein the date of birth of late life assured was different than the one submitted by the insurer. He did not submit any other document to substantiate his claim. In absence thereof, it was held that the copy of Pariwar register both of which were supplied by him cannot be relied upon in deciding the dispute. Looking to the circumstances of the case the recourse was taken to the other evidences submitted by the insurer and it was held that repudiation of the claim was in order.

Lucknow Ombudsman Centre
Complaint No. L-270/21/001/05-06
Smt. Rekha Gaur
Vs

Life Insurance Corporation of India

Award dated 31.08.2006

Smt. Rekha Gaur the nominee under policy no.213137236 had complained against alleged unjustified repudiation of claim on the life of her husband by the insurer L.I.C. of India. The claim was repudiated on the ground of suppression of material fact relating to the disease of Cirrhosis (ethanol) with which the life assured was stated to have been suffering from two years prior to his submitting the proposal under the policy. This was established by insurer by production of certificate of medical treatment and BHT of SGPGI, Lucknow where the life assured had taken for treatment prior to his death and in which the history as reported by his relatives was recorded by doctors of SGPGI, Lucknow. Since nothing contrary was produced, there was no reason to disbelieve the recordings made by doctors of SGPGI, a premier Medical Institute. The suppression of material facts by the life assured, its knowledge and willful concealment was, therefore, established and the repudiation of the claim by the insurer was in order.

**Lucknow Ombudsman Centre
Complaint No. L-258/21/001/05-06
Shri Shamshad Usmani**

Vs

Life Insurance Corporation of India

Award dated 31.08.2006

Shri Shamshad Usmani had complained for alleged unjustified repudiation of claim by L.I.C. of India under policy no.291844142 on the life of his wife Smt. Hakimunnissa on the ground that she was a house wife and the policy on her husband's life stated to be inforce in the proposal was actually lying in lapsed condition. It was contended by the complainant that she was engaged in poultry business and sewing clothes. However, the evidence submitted by the insurer suggested that she was a house wife and she had misstated in the proposal form that her husband's insurance of 1 lakh was inforce on the date of the proposal whereas this policy was lying in lapsed condition. The repudiation of the claim was therefore in order.

**Lucknow Ombudsman Centre
Complaint No. L-236/21/001/05-06
Shri Shiv Prasad**

Vs

Life Insurance Corporation of India

Award dated 31.08.2006

Shri Shiv Prasad had complained against alleged unjustified repudiation of claim by the insurer L.I.C. of India under policy nos.292338929 & 292338595 on the ground that the earlier policy no.292501187 on the assured's life had not been disclosed in the proposal form under these two policies. The insurer's contention was that if the earlier policy was disclosed, the life assured would have been asked to undergo rest ECG & FBS examination and finding these reports satisfactory the insurance cover would have been granted. On a perusal of the proposal form under policy no.292338929 it was observed that the earlier policy no.292501187 was not disclosed. Since the claim was repudiated within two years from the date the policy was effected it was held that non disclosure of the earlier policy which had a bearing on assessment of risk by the

insurer had given a right to the insurer to repudiate its liability and the repudiation of the claim was in order. The complainant, after the life assured had signed the warranty at the foot of the proposal declaring truthfulness of all the statements given, cannot shift the burden to the agent who had filled in the proposal form. In the other policy no.292338595 since the complainant was not the nominee, he could not have filed the complaint for repudiation of the claim and the complaint was, therefore, dismissed.

Lucknow Ombudsman Centre
Complaint No. L-171/21/009/05-06
Shri Raman Prakash Varshney
Vs
Bajaj Allianz Life Insurance Co. Ltd.

Award dated 31.08.2006

Shri Raman Prakash Varshney had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by Bajaj Allianz Life Insurance Co. Ltd. under policy nos.0007312710 & 0007313142 on the life of his wife Smt. Sharda Varshney. The claim was repudiated by the Insurance Company under both the policies on the ground that the life assured had suffered from hypertension for the last 8 years and was known to be taking 'Tenelol' an anti-hypertensive drug. The Insurer in support of their contention produced the copy of BHT of Tata Memorial Hospital, Mumbai and Ratan Cancer Hospital, Kanpur where the long standing history of hypertension was duly recorded. Complainant on the other hand did not produce any evidence to contradict the evidences of the two hospitals but stated that the doctors may have taken a noting on their own without reference to the assured or her relatives. On appraisal of the evidence, it was concluded that Tata Memorial hospital is a hospital of high repute and doctors of the hospital will not record something on their own. Further it was unlikely that the two hospitals will record the similar medical history on their own. The claim was repudiated within two years and as such the insurer had to establish only nondisclosure of material facts which was within the knowledge of life assured. Having established the same the repudiation under both the policies was held to be in order. The insurers however on their own have refunded an amount of Rs. 95,219.00 under policy no. 0007312710 after cancelling the policy by way of settlement of the account value of the units under the policy on date. Since the other policy no. 0007313142 was of a similar type except that the mode of payment was annual it was awarded that the insurer should take a consistent view under both the policies and as such under this policy also refund of premium in cancellation of the policy subject to deduction of expenses incurred on the policy by the insurer was awarded.

Lucknow Ombudsman Centre
Case No. L-237/21/001/05-06
Shri Ram Alam Sharma
Vs
Life Insurance Corporation of India

Award dated 31.08.2006

Shri Ram Alam Sharma had complained against alleged unjustified repudiation of claim by the insurer LIC of India under policy nos.291831036 & 291831145 on the life of his son Shri Sunil Sharma. The insurer had repudiated the claim on the ground that the two proposals submitted under these policies were not signed by the life assured but by third person and on medical examination report life assured's father who was the

complainant had put his signatures. In support of its contentions the insurer submitted the copy of handwriting expert opinion who opined that the signatures on the proposals under two policies of the life assured did not tally with the signatures on his earlier policy no.291466877 and that signature of the complainant on claim form 'A' tallied with the signatures on the medical report under two policies. The complainant did not submit any evidence to contradict these contentions. As such it was proved that there was a perpetration of fraud under the two impugned policies. Despite the fact that the insurer had not taken any action against its agents he cannot be allowed to reap advantage of a fraud in which he himself was also a party. The repudiation of the claim was, therefore, in order.

**Lucknow Ombudsman Centre
Complaint No. L-96/21/001/06-07
Smt. Usha Devi**

Vs

Life Insurance Corporation of India

Award dated 12.09.2006

Smt. Usha Devi had complained for alleged unjustified repudiation of claim by L.I.C. of India under policy no.253070251 on the life of her husband Shri Mahendra Singh. The claim was repudiated on the ground that the life assured was suffering from Pul koch's disease for last two and half years before the date of the proposal which was not disclosed by him in the proposal form. In support of the same the insurer had submitted a copy of medical attendant certificate and certificate of Hospital treatment from RBTB Hospital, Delhi. There was cutting on the duration of illness recorded in this certificate. The insurer did submit an affidavit from its Officer who had seen the hospital records. The complainant was also asked to submit an affidavit from the Doctor who had recorded the medical history and confirm the cuttings. Since she expressed her inability to do so, the contention of the insurer was accepted and the repudiation of the claim under impugned policy no.253070251 was upheld.

**Lucknow Ombudsman Centre
Complaint No. L-40/21/001/06-07
Shri Vivek Pratap Singh**

Vs

Life Insurance Corporation of India

Award dated 12.09.2006

Shri Vivek Pratap Singh had complained to the Insurance Ombudsman for allegedly unjustified repudiation of claim by L.I.C. of India under policy no.214310199 on the life of his grand father Shri Gaya Singh. The claim was repudiated on the ground of understatement of age in the proposal form and evidence in support was the voters list and the copy of ration card. As per voters list the age of the life assured was stated as 65 years and as per ration card 53 years as on the date of proposal. As against this the complainant had produced certificate from Gram Pradhan and ex-Gram Pradhan as also copy of pariwar register stating that the age of the life assured was 48 years which was the age declared in the proposal form. Since all the documents were nonstandard age proof documents and name of the father of the life assured was different in the voters list, it was held to be not acceptable as sole evidence for repudiation of claim. However, since the life assured had died within 4 months and 4 days and that he had not produced affidavit from BDO as directed, it was held that the

age recorded in the ration card was more nearer to the truth and as such the insurer was asked to settle the claim taking the age of the life assured as 53 years on the date of the proposal and recover the difference of premium out of claim proceeds.

Lucknow Ombudsman Centre
Complaint No. L-113/21/001/06-07
Smt. Mukesh
Vs
Life Insurance Corporation of India

Award dated 12.09.2006

The Complainant Smt. Mukesh had complained for denial of DAB claim under policy nos. 251588723 and 251588725 on the life of her husband Shri Param Singh who had died on account of injuries on colliding with a railway engine while crossing the railway line. The insurer had repudiated the claim on the ground that the deceased life assured was a mentally retarded person and based the repudiation on the copy of Panchnama. However, three of the members submitted an affidavit to the effect that the Police authorities had taken their blank signatures on the Panchnama and they were never of the opinion that the deceased life assured was a mentally retarded person. Further the complainant also submitted certificates from present Gram Pradhan as well as earlier Gram Pradhan and statement from number of residents of the village to the effect that deceased life assured was physically and mentally healthy. In view of these evidences the letter of repudiation issued by the insurer denying DAB claim under impugned policy was set aside and the complainant allowed full payment of DAB claim as per rules of the insurer.

Lucknow Ombudsman Centre
Complaint No. L-268/21/001/06-07
Shri Jai Prakash Singh
Vs
Life Insurance Corporation of India

Award dated 21.09.2006

Dr. J.P. Singh had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.283393475 on the life of his wife Smt. Meera Singh on the ground that there was material suppression of illness of Chronic Renal Failure which was the cause of her death in the proposal for insurance. The repudiation was based on prescription sheets from D.P. Memorial Isha Hospital, Jaunpur and the opinion of Insurer's Divisional Medical Referee. The prescription sheet of Isha Hospital no doubt stated that the life assured was suffering from 'End stage CRF' and was on regular dialysis but did not specify since when she was on dialysis and since when the disease was within her knowledge which was allegedly suppressed with fraudulent intention. Further she had regularly attended her duties as Lecturer in college and was on sick leave only from 01.09.04 whereas the date of proposal was 23.02.03. All the ingredients of Section 45 of Insurance Act 1938 were therefore not satisfied and since the claim was repudiated two years after the date on which the policy was effected, the onus was cast heavily on the insurer to satisfy all the ingredients of Section 45, in absence of which the repudiation of claim was awarded to be not in order.

Lucknow Ombudsman Centre

Complaint No. L-175/21/001/06-07

Shri Lakshman Lal Malu

Vs

Life Insurance Corporation of India

Award dated 21.09.2006

Shri Lakshman Lal Malu one of the joint nominees had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.283686836 on the ground that the life assured had died within 6 months and the claim was repudiated within two years from the date the policy was effected and that as per the statement of the land lady, the life assured had got the 3rd attack. However, the insurer failed to establish that there was any concealment of material fact by the life assured before the date of the proposal. The statement from land lady to the effect that this was his 3rd attack did not establish conclusively that he had earlier two heart attacks before submission of the proposal. The repudiation was therefore set aside and claim amount awarded to the heirs of the life assured.

Lucknow Ombudsman Centre

Complaint No. L-138/21/001/06-07

Smt. Krishna Devi

Vs

Life Insurance Corporation of India

Award dated 22.09.2006

Smt. Krishna Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.232412754 on the life of her husband Shri Ram Sewak Azad on the ground that there was material nondisclosure about the disease of cancer with which the life assured was suffering on the date of the proposal. The insurer in support of its decision had presented a copy of BHT of Tata Memorial Hospital, Mumbai wherein under the column 'Investigations' the details of Biopsy test taken outside on 24.08.01 were recorded. The complainant disputed the noting of test but had not disputed about other tests during the year 2002 at Gwalior hospital. Concluding that there was no reason to disbelieve its recording as well, it was held that the deceased life assured must have undergone the Biopsy test on 24.08.01 which was also the date of the proposal and had not disclosed the same in the proposal form with the intention of gaining unfair advantage and thus had vitiated the contract. The repudiation of the claim was, therefore, held to be in order.

Lucknow Ombudsman Centre

Complaint No. L-215/21/001/06-07

Smt. Rekha Sharma

Vs

Life Insurance Corporation of India

Award dated 22.09.2006

Smt. Rekha Sharma had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.221947790 on the life of her husband Shri Rajendra Kumar on the ground that the deceased life assured was feeling Gas formation and depression two months prior to submission of the proposal

and was taking desi medicines to cure them. In support of its contentions the insurer submitted BHT of Dhanvantri Tomer Hospital, Bareilly wherein the fact that the life assured was having the problem of Gas-formation and depression (?kcjkgV) for last two months was mentioned besides the PP Blood Sugar reading of 382 mg%. The complainant nominee denied that the life assured was suffering from any ailment prior to submitting his proposal and that he was an insurance minded person. On a careful perusal of the BHT and the fact that the life assured had died within one month from the date of proposal on account of Acute MI Cardiogenic Shock tachyarythius and that the BHT dated 01.10.03 of Dhanvantri Tomer Hospital clearly stated that the deceased was having the problem of gas-formation and depression (?kcjkgV) for last two months and he was taking desi medicines; PP Blood Sugar reading was 382 mg% and also that the claim has been repudiated within two years from the date the policy was effected, it was held that there was a clear misstatement suppression of the ailments which the deceased life assured was suffering and about which he had the knowledge also. The repudiation of the claim by the insurer was, therefore, held to be in order.

Lucknow Ombudsman Centre
Complaint No. L-340/21/001/06-07
Smt.Rani Yadav
Vs
Life Insurance Corporation of India

Award dated 27.09.2006

Smt. Rani Yadav had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.213832502 on the life of her husband Shri Om Prakash Yadav on the ground that he had not disclosed about the heart ailment which he was suffering from prior to the date of proposal and the details of 63 days sick leave taken by him when he was admitted in the Hospital for the treatment. Since the claim has been repudiated within 2 years from the date of effecting the policy and insurer having established by cogent evidence the suppression of material fact of illness which was within the knowledge of the life assured, the repudiation of the claim was held to be in order

Lucknow Ombudsman Centre
Complaint No. L-122/21/001/06-07
Smt. Chaturu Devi
Vs
Life Insurance Corporation of India

Award dated 29.09.2006

Smt. Chaturu Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.232624261 on the life of her husband Shri Balwan on the ground that the life assured was sick prior to the date of the proposal and was also on sick leave from 18.04.03 to 28.04.03 and had proposed for insurance during this period on 21.04.2003. In its support the insurer submitted a copy of medical certificate and the copy of leave record of life assured of leave taken on medical grounds during last 5 years. The evidence established that the life assured was on medical leave from 10.04.2003 to 28.04.2003 and he was on medical leave for more than a week on 12 occasions. Although the complainant

insisted that in Railways it is very difficult to get leave other than on medical grounds but she did not furnish any evidence to the affect that the life assured was not sick during the period 10.04.03 to 28.04.03 and that he had taken leave on any other ground. The insurer's representative also stated that if these facts were stated in the proposal, the insurer would not have granted insurance under nonmedical scheme and would have insisted for medical examination. The repudiation of the claim in the facts and circumstances of the claim was, therefore, held to be in order.

Lucknow Ombudsman Centre
Complaint No. L-54/21/001/06-07
Smt. Kusum Kumari
Vs
Life Insurance Corporation of India

Award dated 29.09.2006

Smt. Kusum Kumari had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.231190094 on the life of her husband Shri Daya Shankar on the ground that he had suppressed in the proposal form that he had been suffering from fever off & on and cough with EXP for the last 1½ years prior to the date of the proposal. The insurer had submitted the copy of hospital certificates and certificate of medical attendant from G.V.S.M. Medical College & Hospital, Kanpur where the life assured had died and where he was admitted on the date of his death. The history recorded in this certificate establishes the contentions of the insurer and it was not disputed by the complainant and as such the repudiation of the claim by the insurer was held to be in order.

Lucknow Ombudsman Centre
Complaint No. L-356/21/001/06-07
Smt. Mamta Sharma
Vs
Life Insurance Corporation of India

Award dated 29.09.2006

Smt. Mamta Sharma had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.263547120 on the life of her husband Shri Anuj Kumar Sharma on the ground that life assured had not disclosed the earlier two policies taken by him during the years 2003 & 2004. The insurer contended that if these policies would have been disclosed in the proposal form he would have been asked to submit ECG, CBC & ESR reports and on finding them as satisfactory the proposal would have been accepted. Since life assured himself was an agent he deliberately suppressed the earlier two policies so as to get unfair advantage in a fraudulent manner. The complainant on the other hand stated that since the life assured had died in a road accident the nondisclosure of the earlier policies was immaterial. On consideration of rival contention of both the parties it was observed that there is a clear nondisclosure of earlier two policy nos. 263047724 and 263434293 taken on 28.03.03 and 28.03.04 respectively in reply to question no.9 of the proposal form under policy no.263547120. If these policies were disclosed in the proposal, the proposal would have been accepted after obtaining ECG, CBC and ESR reports and finding them as satisfactory. There was, therefore, nondisclosure of material fact in the proposal form which were in the knowledge of the life assured. Since he was an agent also he knew implication of disclosure of these policies fully. The nondisclosure was,

therefore, intentional and as such the repudiation of the claim on this ground was held to be in order. Section 45 of the Insurance Act 1938 did not provide that the cause of death should have a nexus with the material facts not disclosed in the proposal form. Therefore, even if death had been caused by road accident since the non disclosure of material facts was done deliberately within the knowledge of the life assured having been established, the repudiation of the claim was held to be in order. Further since policy no.263434293 was lying in lapsed condition on the date of the proposal under the impugned policy, as per rules of the insurer if the details of this policy were disclosed, the life assured could not have been granted any further insurance including the impugned policy till this policy was revived. The repudiation of the claim on this count was, therefore, also in order.

Lucknow Ombudsman Centre
Complaint No. L-357/21/001/06-07
Smt.Meena Devi
Vs
Life Insurance Corporation of India

Award dated 29.09.2006

Smt. Meena Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.2261789079 on the life of her husband Shri Kamlesh Kumar on the ground that before reviving the policy on 13.02.04 the life assured had suppressed material facts regarding his illness about which he had the knowledge. In support of its contention the insurer submitted the copy of the certificate of Hospital treatment from S.N. Medical College and Hospital Agra and the opinion of its DMR. Held since the certificate of hospital treatment did not state the duration of illness with which the life assured was suffering, and the insurer failed to establish that the deceased life assured had knowledge about his illness prior to the date of revival, the DMR's opinion alone was not sufficient to justify the repudiation of the claim. The onus for establishing that there was misrepresentation of material facts/suppression of material facts and that it was within the knowledge of the life assured lay on the insurer. Since this onus was not discharged satisfactorily with cogent evidence, the repudiation of the claim was set aside and the complainant awarded full payment of claim amount alongwith bonus.

Lucknow Ombudsman Centre
Complaint No. L-355/21/001/06-07
Smt. Munni Devi
Vs
Life Insurance Corporation of India

Award dated 29.09.2006

Smt. Munni Devi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.263169268 on the life of her husband Shri Rajpal Singh on the ground that he was suffering from Leprosy tuberculoid disease and that he had not disclosed about his illness in the proposal form. The insurer in support of its contention produced a copy of investigation report of its Branch Manager, Shri Sandeep Jayrath wherein the officer stated that the deceased life assured had been discharged from Military services on 31.01.83 as he was suffering from Leprosy tuberculoid disease and he had personally verified the discharge card. The complainant admitted that life assured had been discharged from

Military services on health grounds in the year 1983 but denied that he was suffering from any disease since 11.09.96. She further stated that the life assured had been medically examined by the medical examiner of the insurer and after being satisfied about his health by obtaining special reports, his proposal was accepted. In view of the fact that the complainant had admitted that the life assured had been discharged from Military services in the year 1983 on health ground it was held that there was a non disclosure of material fact by the life assured and the repudiation of the claim was in order. However, since the disease which life assured had suffered and suppressed dated back about 20 years, a compassionate view was taken and 50% of the basic sum assured was awarded as Ex-gratia to the complainant nominee.

Lucknow Ombudsman Centre
Complaint No. L-378/21/001/06-07
Shri Sayed Islam Ahmad Rizvi
Vs
Life Insurance Corporation of India

Award dated 29.09.2006

Shri Saiyyad Islam Ahmed Rizvi had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.213353858 on the life of his daughter Km. Saleha Rizvi on the ground that there was suppression of material fact that she had suffered from Jaundice 5 years back (although she had recovered from the same 1½ months thereafter). The insurer's contention was that this nondisclosure had nexus with the cause of death and submitted evidence in support of its contentions. The complainant on the other hand denied the contentions and also stated that as per rules of the corporation the proposal from persons who had suffered from Jaundice was accepted by the insurer 6 months after they had fully recovered. After consideration of the relative contentions and the evidence adduced it was observed that with effect from September, 2003 the insurer's manual provisions had changed and it was accepting proposals from persons one year after they had been fully cured of Jaundice. Besides since the claim was repudiated two years after the date on which the policy was effected, the insurer as per section 45 of Insurance Act 1938 besides establishing non disclosure of material facts which were within the knowledge of the proposer had to establish fraudulent intention also in order to substantiate the repudiation of claim. Since the nondisclosure did not affect the assessment of risk by the insurer as per its rules and no fraudulent intention of the proposer could be established, the repudiation of the claim was held not to be in order and full payment of claim as per rules of the Corporation to the heirs of the deceased life assured was awarded.

Lucknow Ombudsman Centre
Complaint No. L-376/21/001/06-07
Shri Sheet Basant
Vs
Life Insurance Corporation of India

Award dated 27.09.2006

Shri Sheet Basant had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.213235927 on the life of his brother Shri Sri Nath on the ground that he was suffering from TB disease prior to the date of the proposal and was under the treatment of Dr. Bhola Prasad of the

same locality. The insurer adduced the evidence of Dr. Bholu and two other residents of the locality as also of Pradhan of the village to establish this fact. The suppression of material fact regarding his illness having being established which was not disclosed in the proposal form, the repudiation of the claim by the insurer was held to be in order.

Lucknow Ombudsman Centre
Complaint No. L-254/21/001/06-07
Shri Dineshwar Pratap Singh
(Through Shri Sheetla Pd. Singh)
Vs
Life Insurance Corporation of India

Award dated 27.09.2006

Shri Sheetla Prasad Singh had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy nos.213417473 and 214730604 on the life of Shri Badri Singh on the ground of gross understatement of age. In his support the complainant had submitted the copy of school certificate, employer's certificate, voter list and the Pariwar register. The insurer on the other hand stated that the copy of school certificate submitted by the complainant was fake and submitted certificate to this effect from the concerned school authorities and further submitted the revised certificate which established gross understatement of age by the life assured in the proposal and in the service record. Besides it also submitted the voter list and the pariwar register of Gram Panchayat of the village from where the life assured had migrated. It also relied on Adoption deed as per which the nominee had been adopted as his son by the life assured and which had been countersigned by the complainant and which stated the age of the life assured during the year 2001 as 70 years. It also relied upon Bank passbook of Allahabad Bank through which the life assured was drawing old age pension. Relying on the documents submitted by the insurer which appeared to be more genuine it was held that there was a gross understatement of age by the life assured and that the repudiation of the claim by the insurer under both the policies was in order.

Lucknow Ombudsman Centre
Complaint No. L-229/21/001/06-07
Shri Sunder Lal Maurya
Vs
Life Insurance Corporation of India

Award dated 29.09.2006

The Complainant Shri Sunder Lal Maurya had lodged a complaint with Insurance Ombudsman for alleged unjustified repudiation of claim by L.I.C. of India under policy no.213451620 on the life of his son Shri Raj Kumar Maurya on the ground that the death of the life assured had actually occurred three months before the commencement of the policy. Hence the present contract was void ab initio. During personal hearing the evidences from both sides were submitted. Looking to the complex nature of the complaint the complainant was asked to submit a few more documents and affidavits

and allowed 30 days time for the period. After elapse of this time the evidence received from both the sides were scrutinized and it was observed that the evidences by the insurer were more reliable as compared to those submitted by the complainant. Besides he had also not submitted a few documents which were called for. In the facts and circumstances of the case it was, therefore, awarded that there was no justification for interference with the repudiation decision of the Sr. Divisional Manager, Lucknow in repudiating the claim under policy no. 213451620.

Mumbai Ombudsman Centre
Complaint No.LI-146 of 2005-2006
Smt Shailaja Anil Gurav
V/s
Life Insurance Corporation of India

Award dated 31.5.2006

Shri Anil Yashvant Gurav had proposed for a Life Insurance Jeevan Surabhi policy with profits –25 years term for his son Master Avinash Anil Gurav with L.I.C. of India, Branch 96E, Nashik D.O. After scrutiny of the proposal and medical examination report, LIC issued policy no 967789290 for a sum assured of Rs. 50,000. The date of proposal under the policy was 08.09.2002 and the date of commencement of the policy was 14.09.2002. At the time of entering into contract the age of Master Avinash Anil Gurav declared by the proposer was 17 years. Unfortunately Master Avinash A Gurav expired on 4.11.2004 due to Neuroectodermal tumor (lung) .When Smt Shailaja A Gurav, mother of the Life Assured preferred a claim to L.I.C. of India, LIC of India, Nashik Divisional Office repudiated the liability stating that the proposer had withheld correct information regarding his son's health at the time of effecting the assurance. Not satisfied with this decision, the claimant, Smt Shailaja Anil Gurav made a representation to the Zonal Manager of Western Zone of LIC of India which was also turned down. Hence being aggrieved she approached this Forum for justice.After perusal of the records parties to the dispute were called for hearing.The entire records pertaining to the case have been scrutinized. It is evident from the Certificates and case paper mentioned above from Dr. Chudaman P Patil and the Chest Radiography Reports on record that the deceased life assured had suffered from tubercular pleural effusion before the date of proposal. The proposer did not disclose this fact either in the proposal form and declaration dated 8.9.2002 or to the medical examiner of LIC when presented for medical examination and gave negative reply to the specific questions put to him eliciting information about the health status of the life assured. A close scrutiny at the diseases suffered from by the Life Assured would reveal that although it was diagnosed as Neuroectodermal tumor (lung) which he was suffering from since 3½ months before his death, he had quite a few symptoms surfacing well before he was diagnosed to have cancerous growth in the lung. Thus the rejection of death claim by LIC of India for the sum assured for deliberate misstatements and withholding material information regarding health of the life assured at the time of proposing for assurance is held sustainable. Hence this Forum finds no valid reason to interfere with the decision of LIC of India to repudiate the claim.

Mumbai Ombudsman Centre
Case No.LI-124 of 2005-2006
Shri Chikan Mandal
Vs

Bajaj Allianz Life Insurance Company Ltd

Award dated 13.6.2006

Shri Chikan Mandal had taken an Investgain –Economy Policy on the life of his son Mast. Nitai Mandal from Bajaj Allianz Life Insurance Company Limited under policy No.0005940075 for a Sum Assured of Rs. 2,20,000/-. The date of commencement of the policy was 28.10.2004. Shri Nitai Chikan Mandal unfortunately expired on 02.04.2005 due to Military Tuberculosis. Shri Chikan Mandal, father and the nominee under the policy preferred a claim to Bajaj Allianz Life Insurance Company for the policy monies. On receipt of the claim form and other relevant details from the Complainant, the Company investigated the matter and based on the medical reports and the hospital certificates repudiated the claim on the ground of non-disclosure of tuberculosis which was prior to taking the Insurance policy and that the proposal form did not contain any valid signature of the policyholder and hence the contract was treated as null and void. The Company refunded the premium paid amounting to Rs. 9814/- after deduction of service and stamp charges. Not satisfied with the decision of the Company, Shri Chikan Mandal represented to the Company which was also turned down and hence being aggrieved approached the Office of the Insurance Ombudsman seeking justice. The records were perused and parties to the dispute were called for hearing . The relevant records pertaining to the case have been examined carefully and it is revealed from the underwriting papers on record that the proponent initially proposed for Rs.5 lakhs coverage. The Head Office of the Insurer rejected this proposal and made a counter offer of rupees one lakh Sum Assured as there was no policy on the life of the proposer. Finally, Company issued a policy for Rs.2.20 lakhs sum assured under InvestGain- Economy Plan as per the request letter from the life assured taking a fresh proposal. In the fresh proposal form, part 2 containing the particulars of the proposer which were filled in initially, was struck off without recording any reason. Both the proposal forms were filled in by the representative of the company and witnessed by the agent. The first proposal was signed by the proposer and the life proposed, but the fresh proposal was signed only by the life proposed. This is very vital for our noting in the sense that the Company's charge that the proposal was not signed by the proposer was wrong and moreover it was their duty to get it fully examined and if the Marketing people in their eagerness to book the business made mistakes or lapses in getting the proposal completed it would be squarely on the Company. Again by virtue of issue of the policy the Company has abetted the so-called incompleteness. Under the circumstances, the Company cannot treat the contract as invalid and repudiate the claim on this ground.

In the facts and circumstances, I set aside the rejection of claim of Shri Chikan Mandal by Bajaj Allianz Life Insurance Co. Ltd. under policy no.0005940075 on the life of late Mast. Nitai Mandal and hereby direct Bajaj Alliance to settle the claim for full Sum Assured less any amount which they have already paid.

**Mumbai Ombudsman Centre
Case No. LI-099 of 2005-2006
Smt.Vimala N.Mulchandani**

V/s

Life Insurance Corporation of India

Award dated 14.6.2006

Shri Nihalchand Dayaldas Mulchandani took a life insurance policy no. 967944594 from L.I.C. of India, Bhusawal Branch Office of Nashik Division. Shri Nihalchand D.Mulchandani died on 17.11.2004 due to Hypertension + Cardiomyopathy + T/C generalised seizure + Lt.Hemiplegia + Inflammatory Bowel Disease + Sudden cardiorespiratory arrest. When the claim was preferred by his wife Smt. Vimala N.Mulchandani, it was repudiated by Nashik Divisional Office on the ground that Shri Nihalchand Mulchandani, the deceased life assured, had made deliberate mis-statements and withheld material information regarding his health at the time of effecting the assurance.

The entire documents on records have been gone through. In the Medical Attendant's Certificate (Claim Form B) dated 28.12.2004, Dr. Sunil Gajre stated that he was first consulted on 12.10.2004 and the disease preceded/co-existed was Inflammatory Bowel Disease since 2 years. The Medical Officer of Tapi Life Care Hospital and Research Centre Pvt. Ltd., Bhusawal where Shri Mulchandani was hospitalised from 25.09.2004 to 02.10.2004, has mentioned that he was under his treatment for (Lt.)hemiplegia see to CVA c Ischaemic Infarction (Rt) c Inflammatory Bowel disease.

Dr.Surendranath H.Bhirud of Bhirud Surgical Nursing Home filled in by him stated that Shri Mulchandani was suffering from Ulcerative Colitis since 08.08.2003 with symptoms, pain in abdomen and loose motion with blood in stool and he was consulted first on 08.08.2003.It is evident from the certificate on record from Dr. Harish R.Chawrai and Dr.Surendranath H.Bhirud that the deceased life assured was suffering from Ulcerative Colitis before he proposed for assurance. The certificates on record from all the doctors who treated the deceased reveal that he was suffering from variety of diseases including Inflammatory Bowel Disease. "Inflammatory Bowel Disease means any of a group of Inflammatory condition of the intestine that include (among others) Ulcerative Colitis and Crohn's disease." There is a clear nexus between Ulcerative Colitis and Inflammatory Bowel Disease which was one of the illnesses which was diagnosed in the hospital records and was also certified by the medical officer of Tapi Life Care Hospital and Research Centre Pvt. Ltd., which acted adversely to cause his death along with other diseases.

The life assured did not disclose the above material information in his proposal for assurance. Had he disclosed this material fact, LIC's underwriting decision would have been different based on the relevant special reports they would have called for before accepting the risk. Since the policy was issued under non-medical scheme, no medical examination of the life assured was conducted by LIC and they relied on the answers given in the proposal form and the declaration dated 22.12.2003. Thus the repudiation of death claim by LIC for deliberate misstatement and suppression of material facts regarding health of the life assured at the time of proposal is held sustainable.

Mumbai Ombudsman Centre
Complaint No.LI-199 of 2005-2006
Smt Seema S Ladha
Vs
Life Insurance Corporation of India

Award dated 26.6.2006

Shri Shankar H. Ladha, husband of Smt Seema S Ladha had taken two Life Insurance policies bearing nos. 904881449 and 904881450 from L.I.C. of India, Mumbai Divisional Office- IV, for Rs. 5,00,000 each both under plan and term 151-25 – New Jeevan Shree with Guaranteed Addition and Loyalty Addition through his proposals

dated 31st March, 2003. Unfortunately Shri Shankar H. Ladha expired on 09.01.2004, due to septicemia due to acute renal failure with alcoholic liver disease. When Smt Seema Ladha, wife and nominee under the policy, preferred a claim under the above said policy to L.I.C. of India, Mumbai D.O. IV repudiated the liability stating that the deceased life assured had withheld correct information regarding his health at the time of effecting the assurance. Not satisfied with this decision, the claimant, Smt Seema S Ladha, made a representation to the Zonal Manager of Western Zone of LIC of India but the same was upheld. Hence being aggrieved by their decision, Smt Seema S Ladha approached this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The entire records pertaining to the case have been scrutinized. It is evident from the Certificate of Hospital Treatment dated 26.6.04 from Bombay Hospital and the hospital case papers supported by Pathological test reports that the deceased life assured was suffering from Cirrhosis of Liver and was admitted to the hospital from 16.8.2002 to 18.8.2002 and took treatment for the same which was before the commencement of the policy. It is also established from the notings of Dr. Kakkar in the hospital case papers and the line of treatment advised by him that the life assured was alcoholic and took treatment for de-addiction. He did not disclose all these material facts either in his proposals dated 31.3.2003 or to the Medical Examiner of LIC when presented to medical examination. Had he disclosed this material information at the time of proposing for assurance, LIC would have called for relevant special reports and taken appropriate decision in acceptance of the risk.

Thus rejection of death claim by LIC for the sum assured under both the policies for deliberate misstatement and withholding material information regarding health of the life assured at the time of proposing for assurance is held sustainable. Hence, this Forum finds no justifiable reason to interfere with the decision of LIC of India.

Mumbai Ombudsman Centre
Complaint No.LI-092 of 2005-2006
Smt Sulochana Nanasaheb Nikam
Vs
Life Insurance Corporation of India

Award dated 27.6.2006

Shri Nanasaheb Tukaram Nikam had taken three Life Insurance Policies from Manmad Branch Office-96-F, Nashik Division of L.I.C. of India. Shri Nanasaheb Tukaram Nikam unfortunately expired on 10.1.2003 due to Cardio respiratory Arrest with mild hypertension. When the claim for the policy moneys was preferred by his wife, the nominee, Smt Sulochana N Nikam, L.I.C. of India repudiated the claims. Not satisfied with the decision of the Corporation, she represented to the Western Zonal Office of the Corporation, but the Zonal Claims Review committee upheld the decision of repudiation taken by the Divisional Office. Hence being aggrieved, Smt Sulochana Nikam approached the Insurance Ombudsman for settlement of her claim. After perusal of the records parties to the dispute were called for hearing. The records pertaining to the case have been examined. The primary cause of death was mild hypertension and secondary cause was cardio respiratory arrest. According to the doctor, the patient had been suffering since six months and the symptoms of the illness vertigo, nausea and vomiting were observed by the patient four months back. It is observed from the underwriting papers on record that the life assured proposed for first policy for Rs. 1 lac sum assured by his proposal dated 24.3.2002 which was accepted by LIC on

27.3.2002. Next day i.e. on 28.3.2002 he proposed for two more policies for sum assured Rs. 50,000 and Rs. 25,000 which were completed by LIC on 31.3.2002.

LIC's repudiation was based on two grounds (a) suppression of material facts regarding health status of the Life Assured, in this case, Hypertension (b) non disclosure of previous policies held with the Corporation. The policy was in force for only 9 months. As regards policy nos 968539302 and 968539303 under proposal dated 28.3.2002 LIC cannot be faulted for repudiating the claim for deliberate suppression of material facts regarding his earlier proposal/policy. However, we have examined the repudiation of death claim under policy No.968538435 where it has been clearly proved that LIC could not provide any clinching evidence that Life Assured was suffering from high Blood Pressure or Cancer of the tongue for which he had surgery to establish their repudiation

In the facts and circumstances, I set aside the rejection of claim of Smt Sulochana N Nikam by LIC of India under policy no. 968538435 on the life of Late Shri Nanasaheb Tukaram Nikam and hereby direct LIC to settle the claim for full sum assured under the said policy. However, the claim under policy no. 968539302 and 968539303 by Smt Sulochana N Nikam is not tenable.

Mumbai Ombudsman Centre
Case No. LI-218 of 2005-2006
Smt. Shashikala Krishna Deorukhkar
V/s
Life Insurance Corporation of India

Award dated 27.6.2006

Shri Sanjay K.Deorukhkar took a Life Insurance Policy No. 882077927 for a sum assured Rs.1,00,000/-.The policy was issued by Branch No.938 of MDO II. Subsequently in March 2000, LIC issued a fresh policy no.882078320 under the same proposal with a fresh proposal no. utilising the proposal deposit created on refunding the premiums already adjusted against policy no.882077927. Shri Sanjay Deorukhkar expired on 18.03.2004 in a train accident. After his death, the nominee, Smt. Shashikala Krishna Deorukhkar, mother of the Life Assured, submitted her claim for the policy moneys. When the nominee preferred her claim for policy moneys, Thane D.O. advised Vashi Branch Office which was servicing the policies to settle the death claim under policy no.882078320 and refund the premiums received under policy no.882077927 stating that the same was a cancelled policy.

LIC contended that through an oversight the policy no. 882077927 was not cancelled from the policy master file which resulted into receipt of premiums under both the policies, though the life assured had proposed for one policy only. The policyholder was informed that a fresh policy no.882078320 was issued in lieu of policy no.882077927 and this was done as per the request of the policyholder. It has been observed that the said letter was written by the agent who procured the business requesting LIC to issue duplicate First Premium Receipt since the policyholder had not received the same. Further, LIC's letter to the policyholder confirming that his proposal no.4257 was accepted and resulted into policy no.882077927 and proposal deposit paid by him was adjusted towards premium due 1/2000 and 2/2000 establishes the fact that the said request letter allegedly made by the policyholder was written subsequently. Moreover, the agent is not authorised to give such a consent letter on behalf of the policyholder and it cannot be acceptable to LIC also. As regards the letter

by LIC to the policyholder regarding allotment of fresh policy number 882078320 in lieu of policy no.882077927, no doubt there is a copy of the letter in the file, but when the decision to allot a fresh number was taken by the Branch as back as on 2000, why they took nearly two months to inform the policyholder about the issuance of a fresh policy and also about returning the old policy and First Premium Receipt is not intelligible. In the normal course, LIC should have called for the policy document and the First Premium Receipt (FPR) already issued and only after cancelling the same, fresh policy should have been issued and the Agent is expected to do such jobs to avoid delay. In this case, it appears that authority letters in respect of both the policies were sent to the employer of the life assured and also LIC regularly sent demand invoice showing both the policies and adjusted the premium received till the death of the Life Assured. LIC's contention that all this happened due to 'some technical mistake' cannot be accepted as a convincing argument. In the facts and circumstances and based on the analysis made, I set aside the denial of payment of claim under the policy no.882077927 by the LIC and ask them to realise the first two monthly premia which got adjusted against the second policy no.882078320 and settle the claim on ex-gratia basis only for the basic Sum Insured only without the accident benefit.

Mumbai Ombudsman Centre
Case No. LI-125 of 2005-2006
Shri Manohar Keshao Chakole
V/s
Life Insurance Corporation of India

Award dated 24.7.2006

Shri Keshao Ramaji Chakole took a life insurance policy no.974199272 for Rs.1,00,000/- under Table & Term of 14-16(16) through proposal dated 24.03.2003 with effect from 28.03.2003 from Bhandara Br. under Nagpur Division of L.I.C. of India. The claim arose after the death of Shri Keshao R.Chakole on 26.04.2004 due to Type II Diabetes as per Medical Attendant's Certificate dated 02.12.2004. The claim which was preferred by his son Shri Manohar Keshao Chakole to the L.I.C. of India was rejected by Nagpur D O. as it was observed by LIC that Shri Chakole withheld correct information regarding his health at the time of effecting the insurance with them. Shri Manohar Chakole approached the Insurance Ombudsman seeking his intervention in the matter.

In the Medical Attendant's Certificate, Dr. S.S.Wane, Medical Officer, Bhandara has mentioned that the cause of death was Type II Diabetes Mellitus with diabetic myopathy and Bullous dermopathy which was ascertained after death from previous hospital admissions and the discharge summary reports. He has also stated that the symptoms of the illness, Type II Diabetes Mellitus were observed 4years back and Chronic Suppurative Otitis media co-existed with the disease/illness. However in the Certificate of Hospital Treatment, the doctor has confirmed that the symptoms were narrated by the patient only.The diagnosis arrived at the hospital was "Type II Diabetes Mellitus c Diabetic Myopathy c Bullous Dermopathy."

The scrutiny of these records reveal that the first hospitalisation was due to severe pain in the ear and tingling numbness over extremities with vesicles filled with fluid on right groin which was reported by the patient . His diagnosis was Type II diabetes c CSOM c bullous dermopathy. The life assured was again admitted with the same complications from 12.04.2004 to 22.04.2004 and was treated by Ward In-charge Dr.S.S.Wane. The medicines administered included heavy doses of insulin for diabetes

with other medicines for suppurative Otitis as also bullous dermopathy which is nothing but large sized blisters over the body with fluids in those. All these conditions are distinctly indicative of a prolonged diabetic status which has been amply diagnosed as diabetic myopathy. A further analysis of Indoor Case Paper of Bhandara General Hospital reveals that the doctors attending on the life assured had to contend with lot of other complications including the most important health hazard of his being in immunocompromised status which refers to an immune system incapable of reacting to pathogens or tissue damage. From the above analysis it would be evident that although LIC could not produce actual record of treatment for diabetes before the policy was taken, the strong medical evidence duly documented by the hospital most certainly points to a long standing diabetes leading to all sorts of problems and ultimately affecting the immune system of the life assured to cause his death.

In view of the above medical substantiation duly corroborated by the circumstantial evidence that the insurance was taken only at his age 59 years, the intention to benefit out of the policy would be apparent in the context of the non-disclosure and suppression of material facts about the health status of the life assured at the time of proposing for insurance. I, therefore, find no reason to interfere with the decision of LIC to reject the claim on this ground and hereby uphold their rejection.

Mumbai Ombudsman Centre
Case No.LI-153 of 2005-2006
Smt Jayshree Dilip Shirbhavikar
V/s
Life Insurance Corporation of India

Award dated 24.7.2006

Shri Dilip Shridhar Shirbhavikar had taken a Life Insurance policy from Sadar Branch Office of Nagpur Divisional Office. The date of proposal under policy was 25.11.2003 and Shri Shirbhavikar unfortunately expired on 30.07.2004 due to Septicemia with ARDS with septic shock in case of (Lt) Lung pneumonia with k/c Cervical spondylosis and Osteoarthritis knee. When Smt Jayshree D Shirbhavikar, wife and nominee under the said policy preferred a claim to L.I.C. of India, LIC of India, Nagpur Divisional Office repudiated the liability stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance and LIC also stated that they held indisputable proof to show that Life Assured was suffering from High fever, jaundice for which he consulted a medical man and had taken treatment in a hospital and also that he was on medical leave from 17.7.2003 to 26.7.2003 which fact was not disclosed at the time of proposing for the above said policy. Not satisfied with this decision, the claimant, Smt Jayshree D Shirbhavikar made a representation to the Zonal Manager of Western Zone of LIC of India which was also turned down and hence being aggrieved she approached this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The records pertaining to the case have been examined. The date of certificate is 17.7.2003 and he had recommended leave from 17.7.03 to 26.7.03 and certified him fit to resume duty on 27.7.03. It is indeed quite surprising that a doctor gives an unfit and fit certificate simultaneously with the date read as 17.7.03 and declaring the Life Assured to be fit on 27th July, 2003 to join his Office. The Complainant while deposing before the Ombudsman mentioned that the alleged medical certificate was taken for availing leave since the life assured was working in Ahmedabad and he needed to visit home town for family reasons and leave would not be granted by the employer if he would not have

taken it on medical grounds. From the certificate it would appear that it was issued for the purpose of leave because if the life assured was really sick, suffering from high fever and jaundice warranting 10 days absence from duty, doctor would not have issued fitness certificate without examining the patient after the full course of treatment. Further, it may be true that the life assured was suffering from fever initially, but the certificate does not confirm the illness of jaundice allegedly suffered by the deceased and there are no supportive medical evidence like prescriptions issued by the Doctor or cash memos in support of the same.

Again if the doctor had really treated him then why did he not certify the same in the special query form. No doubt the life assured was under an obligation to reply the questions put to him in the proposal form and by the medical examiner of LIC truthfully and correctly, but the Insurer has to prove that the statements made by him were incorrect with cogent medical evidence. In the instant case LIC has failed to prove that the life assured actually suffered from jaundice from 17.7.2003 to 26.7.2003 with conclusive medical evidence. In the circumstances of the case, the evidences produced by LIC, in support of its decision to repudiate the claim are not indisputable and do not meet with the requirements of section 45 of the Insurance Act, 1938. Hence the complaint of Smt Jayshree Dilip Shirbhavikar succeeds.

It is noted that the life assured died within nine months of issue of the policy and LIC must look for the cause within themselves by which their acceptance and underwriting of the business is clearly hinted with the likely role of the Agent and the Medical Examiner who either failed to get the health status properly or ignored the same.

Mumbai Ombudsman Centre
Complaint No.LI-179 of 2005-2006
Shri Vasant Ramdas Pande
Vs
Life Insurance Corporation of India

Award dated 26.7.2006

Shri Vasant Ramdas Pande had proposed for an Endowment Assurance Policy with Profits on the life of his son Mast. Vijay Vasant Pande from the L.I.C. of India, Amravati Divisional Office for a Sum Assured of Rs. 50,000/-. The date of proposal under the policy was 28.2.2003 and the date of commencement of the policy was 27.03.2003. Unfortunately Mast. Vijay V. Pande expired on 25.06.04 due to Terminal Cardiorespiratory arrest due to septicaemia due to pulmonary valve infective endocarditis. When Shri Vasant Ramdas, father and the proposer of the deceased life assured preferred a claim to L.I.C. of India, Amravati D.O. of LIC of India, repudiated the liability stating that the proposer had withheld material information regarding the health of his son, Mast. Vijay V. Pande at the time of effecting the assurance. LIC stated they had indisputable proof that Life Assured was suffering from Congenital Septal defect prior to the date of proposal and this fact was not disclosed at the time of proposing for the above said policy. Shri Vasant Pande, made a representation to the Zonal Manager and aggrieved by their decision, he came to this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The records pertaining to the case have been scrutinized and it is evident from the claim form B and the certificate of Dr. R.M. Agrawal that the deceased life assured was suffering from congenital heart disease when the proposal was submitted on his life which is

corroborated by the Inquiry Officer's report. The diagnosis of tetralogy fallot is usually based on the fact that the child is cyanotic (blue). The analysis of the entire records leads to the conclusion that the life assured had complications right from childhood and the proposer definitely knew the same at the time of proposing for insurance. The proposer did not disclose this ailment in the proposal for assurance instead gave deliberate incorrect statements. Hence this Forum finds no valid reasons to interfere with the decision of LIC.

However, the role of the Agent and the Medical Examiner who failed to get the health status of the Life Assured properly should be probed by LIC to fix responsibility and take appropriate action.

**Mumbai Ombudsman Centre
Case No.LI-215 of 2005-2006
Smt Sumitra Darasingh Chavan
Vs**

HDFC Standard Life Insurance Company Ltd.

Award dated 9.8.2006

Shri Darasingh Ramchandra Chavan had taken a HDFC Home Loan Protection Plan under policy No.10246659 for a Sum Insured of Rs. 3,48,586/- for a period of 15 years. The date of proposal was 24.3.05 and it was registered on 31.3.2005. The said policy was assigned to Housing Development Finance Corporation Ltd (HDFC) by Shri Darasingh R Chavan. But unfortunately Shri Darasingh R Chavan expired on 18.7. 2005 due to Heart attack. When a claim was preferred under the said policy by the assignee, the HDFC Standard Life Insurance Company Ltd repudiated the claim stating that the declaration of good health dated 24.3.2005 executed by Shri Darasingh Chavan was false. On receipt of representation from Smt Sumitra Darasingh Chavan, wife of the policyholder, HDFC Standard Life Insurance Company reiterated their stand of repudiation. Aggrieved by the decision of the Company, Smt Sumitra D Chavan approached this Forum. Subsequent to perusal of the records, parties to the dispute were called for hearing. The records pertaining to the case have been scrutinized.

It is evident from the certificate of Dr. Pandhare and the entries in the Ashwini Charitable Hospital, Badlapur that the deceased life assured had been suffering from Tuberculosis before he proposed for assurance for which he was admitted to the hospital on several occasions and had taken treatment for the same which is also corroborated by claim Consultant's report. The hospital admission records clearly establish that he continued to suffer from the same illness even after the policy was issued. The life assured did not disclose these material information in his proposal and declaration dated 24.3.05 for assurance. Had he disclosed this fact, HDFC's underwriting decision would have been different. Since the policy was issued under HDFC Home Loan Protection Plan, no medical examination of the life assured was conducted by HDFC and they solely relied on the information given by him in the proposal form and declaration dated 24.3.2005. Thus rejection of death claim by HDFC Standard Life Insurance Company Limited for deliberate misstatement and suppression of material information regarding health of the Life Assured at the time of proposing for life assurance is held sustainable. Hence this Forum finds no valid reason to interfere with the decision of HDFC to repudiate the claim for the sum assured under the policy.

**Mumbai Ombudsman Centre
Case No. LI-19 of 2006-2007**

Smt.Surekha Balasaheb Ghodke
V/s
Life Insurance Corporation of India

Award dated 14.8.2006

Shri Balasaheb Vithoba Ghodke took a life insurance policy no.908783253 from L.I.C. of India, Branch Office 90-C of MDO IV with effect from 07.11.2001 through his proposal dated 06.11.2001 for Rs.40,000/- under Plan and Term 14-15 (15). Shri Balasaheb V.Ghodke died on 22.09.2003 due to Pulmonary Tuberculosis. When the claim was preferred by his wife Smt. Surekha Balasaheb Ghodke, it was repudiated by SSS Division by letter dated 16.03.2005 on the ground that Shri Balasaheb Vithoba Ghodke, the deceased life assured, had made deliberate mis-statements and withheld material information regarding his health at the time of effecting the assurance. LIC contended that all the answers to the questions in the proposal were false and stated that they held indisputable proof to show that before he proposed for the above policy he had suffered from Pulmonary Tuberculosis since 1999 and he also availed TB leave from 01.04.1999 to 11.04.2001. However, he did not disclose these facts in the proposal, instead he gave false answers. In terms of the policy contract and the declaration contained in the proposal form they therefore, repudiated the claim and forfeited the policy moneys.

The Zonal Claims Review Committee also decided to uphold the decision of repudiation taken by the SSS Division. In the Medical Attendant's Certificate dated 08.12.2003, Dr. R. T. Nanave, Medical Officer, G.T.B Hospital, has mentioned that the cause of death was Pulmonary Tuberculosis and the patient had been suffering from the same since 1999 (4years). As per the Certificate of Treatment issued by the same doctor, it has been mentioned that Shri Ghodke had consulted him first on 22.09.2003 for Pulmonary disease and he was suffering from same disease since 4 years and Dr. Nanave had also stated that the history was given by the patient himself. The disease of T.B. suffered by him since 1999 was confirmed by Dr.R.T.Nanave of G.T.B.Hospital in the Claim Form B and the Certificate of Consultation / Treatment issued by him which is based on the past history told by the patient himself. He suppressed the above information in the proposal and personal statement of health dated 06.11.2001. The proposal was on non-medical basis and hence no medical examination was conducted and as such LIC solely relied on the information given in the proposal form and health declaration given by the insured, on the basis of which proposal was completed. As per the declaration, the life assured was duty bound to disclose all the information correctly and truthfully at the time of proposal. However, he did not disclose his past illness and the T.B. leave availed by him in the proposal form deliberately which was material for underwriting his proposal. Had he disclosed these facts at proposal stage, LIC would have called for relevant special medical reports and taken appropriate decision in acceptance of the proposal. Thus there is deliberate mis-statement and suppression of material facts by the deceased life assured in the proposal for assurance.

The claim of Smt. Surekha Balasaheb Ghodke for sum assured under policy no.908783253 on the life of late Shri Balasaheb Vithoba Ghodke is not sustainable.

Mumbai Ombudsman Centre

Case No.LI-163 of 2005-2006
Shri Bodsingh BadriPrasad Bhagat
Vs
Life Insurance Corporation of India

Award dated 14.8.2006

Shri Omeshwar BadriPrasad Bhagat had taken a Life Insurance policy bearing no 971581202 an Endowment Assurance Policy with Profits + Accident Benefit from L.I.C. of India, Gondia Branch Office of Nagpur Divisional Office for Rs. 1,00,000. The date of proposal under the policy was 20.6.2003 and the date of commencement was 28.6.2003. Unfortunately Shri Omeshwar B Bhagat expired on 07.07.2003 due to Heart Attack. When Shri Bodsingh, brother of the deceased life assured preferred a claim to L.I.C. of India, LIC of India, Nagpur D.O. repudiated the liability stating that the deceased life assured had withheld material information regarding his income at the time of effecting the assurance. Their contention was that the annual income given by Shri Omeshwar B Bhagat in the proposal form was Rs.80,000/- whereas they had evidence in their possession to show that the deceased's income was only Rs. 3000/- Hence the Sum Assured of Rs. 1,00,000 did not commensurate with the income and therefore, the claim was not payable. Not satisfied with the said decision, Shri Bodsingh represented to the Zonal Manager of Western Zone of LIC of India and not receiving any favourable reply approached this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The entire documents on record have been gone through. As per the Medical Attendant's Certificate dated 07.07.2003 completed by Dr. D.T.Rahangdale, the cause of death was Heart Failure and the life assured was keeping good health before death. The claim was repudiated by LIC on the ground that the deceased life assured withheld material information regarding his income at the time of effecting assurance. LIC was unable to ascertain the exact income of the Life Assured either at proposal stage or before repudiating the claim. The Complainant in his letter to LIC stated that the proposal form was completed by the Agent and he had given the approximate income in the proposal form. He has also mentioned that the deceased's annual income was Rs. 60,000 from agriculture and dairy. It may be true that the deceased was doing dairy business to generate additional income. LIC solely relied on the report of the Investigation Officer and the written statements obtained by him. A close scrutiny of the relevant documents gives a suggestion that there was an effort to create evidence in order to deny claim of the Complainant since death had occurred within a short time of the acceptance of the proposal. LIC's contention that his income was only Rs. 3000 per annum is unacceptable as the family owns about 4 hectares of land and agricultural income depends on the crop pattern and crop yield and in rural areas generally agriculturists do other business like dairy business to generate additional income. Moreover, LIC's departmental note to Claims Review Committee mentioned the annual income of the Life Assured to be Rs. 36,000 as "secured evidence". If LIC was convinced about the foul play of their Agent in getting this business, they should have taken action against the concerned Agent which they have not done which indirectly confirms that LIC was not sure of the ground of repudiation themselves. In the facts and circumstances, I set aside the repudiation of death claim by LIC on the ground of withholding material information regarding income of the life assured and hereby uphold the complaint of Shri Bodsingh B. Bhagat sustainable.

Mumbai Ombudsman Centre

Complaint No.LI-132 of 2005-2006
Smt Shantabai S Zuri
Vs
Life Insurance Corporation of India

Award dated 18.8.2006

Shri Sannu Isaru Zuri had taken a Life Insurance Money Back Policy with profits under Plan and Term 93–25 years from L.I.C. of India, Gondia Branch under Nagpur D.O.for a Sum Assured of Rs. 50,000/-. The date of proposal under the policy was 21.03.1999 and the date of commencement of the policy was 28.03.1999. Shri Sannu Isaru Zuri was employed as a Talathi at the Tahasildar's Office, Amgaon, Dist Bhandara and he had opted for Salary Savings Scheme. Unfortunately Shri Sannu Isaru Zuri expired on 28.10.2000 due to Cardiorespiratory arrest with Hyperkalaemia with Hepatic Failure. When Smt Shantabai S Zuri, wife and nominee under the policy preferred a claim to the LIC, Nagpur Divisional Office of LIC of India, informed Smt Shantabai that as two monthly premiums for September and October, 2000 were not received by LIC, the claim was not payable. Not satisfied with their decision, Smt Shantabai Zuri represented to the Branch Office and not receiving any favourable reply she approached the Office of the Insurance Ombudsman. After perusal of the records parties to the dispute were called for hearing. The relevant documents on record have been gone through carefully. As per the status Report of the policy under dispute, the monthly premium due upto August, 2000 were received by LIC and accounted by them and premium due in the month of September and October, 2000 were not received by LIC and hence the claim was denied to the Complainant on the ground that the policy was in a lapsed condition on the date of death of the life assured. As per the letter dated 18.1.2006 received by this Forum directly from Tahshildar's Office, Amgaon, the monthly premiums in respect of policy no.972564440 of Shri Sannu Isaru Zuri were not deducted from his salary for the month of September and October, 2000 as he was on sick leave from 7.9.2000 to 28.10.2000 and salary for these two months were not paid to him. Further, they confirmed that his salary for the said months were paid to his wife after his death without deducting LIC premiums. As per the policy condition, the policy lapses if premium is not paid within the grace period. In the instant case, being a SSS policy, the monthly premium should have come from the employer after deduction from the salary. Once the authority letter to deduct the premium from salary is given, the employer is supposed to deduct the same every month and remit the same to LIC unless the same is revoked by the policyholder-employee. In this case premiums were not remitted by the employer because salary was not paid to him as he was on leave and when the salary was released after his death, insurance premiums were not deducted and remitted to LIC. There was no fault on the part of the policyholder and moreover had the employer deducted the premium instalments when the salary was paid to the nominee subsequently and remitted to LIC they would have adjusted the premium and treated it as inforce policy and settled the death claim. Another point to be examined here is why LIC did not consider even ex-gratia payment as per the guidelines in force. LIC has issued guidelines to consider ex-gratia payment and in case of SSS polices with default premiums, rules are further relaxed .On further analyzing the documents on record it has been observed that premiums due upto August 2000 were received and accounted by LIC. September premium which fell due on 28.9.2000 and supposed to have come to LIC after September salary, was not received by them. Again the October premium due on 28.10.2000 which should have been deducted from October salary and remitted to LIC thereafter was not received by

LIC. Exactly on the due date i.e. 28.10.2000 the life assured expired. As such October month premium cannot be treated as second terminal gap premium and hence there was only one terminal gap premium. LIC could have considered the claim on ex-gratia basis as this case satisfies condition (ii) of the "Ex-gratia claims under SSS policies with defaults in premia" guidelines.

In the facts and circumstances of the case, LIC's decision to deny the death claim on the ground that the policy was in lapsed condition is not sustainable and the claim is held sustainable as a special case on ex-gratia basis.

Mumbai Ombudsman Centre
Case No.LI-034 of 2006-2007
Smt Sameerabanu Patel
Vs
Life Insurance Corporation of India

Award dated 23.8.2006

Shri Mohammed Ismail J M Patel had taken 7 Life Insurance Policies from L.I.C. of India, Mumbai Divisional Office II, for Rs. 1,00,000/- each through his proposals dated 05.03.2002. Shri Mohammed Ismail J M Patel unfortunately expired on 16th Jaunary,2003, due to Septicaemia with Hypoxic Brain Damage. When Smt Sameerabanu Patel, wife and nominee under the policy, preferred a claim under the above said policy to the L.I.C. of India, LIC of India, Mumbai D.O.II, repudiated the liability stating that the deceased life assured had withheld correct information regarding his health at the time of effecting the assurance LIC took the view that all the above answers were false and stated that they held indisputable proof to show that almost five-and-a-half years before Shri Patel proposed for the above policy, he had suffered from Ischaemic Heart Disease (IHD) with Left Ventricular Failure(LVF) element for which he had consulted a medical man and had taken treatment at Punamiya Nursing Home. Aggrieved by their decision, Smt. Sameerabanu Patel, therefore, approached this Forum for justice.

After perusal of the records, the parties to the dispute were called for hearing. The relevant records pertaining to the case have been scrutinized. It is evident from the Punamiya Hospital Discharge Summary and case papers that the deceased life assured suffered from IHD with LVF for which he was admitted to the hospital from 25th August, 1996 to 1st September,1996 and took treatment for the same. The hospital papers also confirm that he was hypertensive and the advice given by the hospital clearly suggests that he had to keep certain medicines with him due to the severity of the illness. He did not disclose these material facts either in the proposals dated 5th March, 2002, or to the medical examiner of LIC when presented to medical examination. Had the life assured disclosed the full facts regarding his past illness, i.e., IHD with LVF and hospitalization for the same and also hypertension from which he had been suffering before he proposed for assurance, LIC would have taken appropriate underwriting decision. In the facts and circumstances, the rejection of death claim by LIC of India for deliberate suppression of material facts regarding health of the life assured is held sustainable. There is no valid ground to interfere with the decision of the LIC of India. However, the concerned agent, who must have had relevant information about the Life Assured's health condition should be questioned by LIC and his role should be properly

probed to fix responsibility for taking appropriate action so that similar cases do not recur.

Mumbai Ombudsman Centre
Case No.LI-20 of 2006-2007
Smt Parasdevi Dilipkumar Jain
Vs
Life Insurance Corporation of India

Award dated 28.8.2006

Shri Dilipkumar Jain had taken a Life Insurance Endowment Assurance Policy with profits + Accident benefit from L.I.C. of India, 91 G Dombivli Branch Office of Thane Divisional Office. The date of proposal under policy was 31.03.2004 and the date of commencement of the policy was 28.03.2004. Shri Jain unfortunately expired on 05.06.2005 due to HIV Encephalitis being the primary cause and the secondary cause being pulmonary tuberculosis. When Smt Parasdevi Dilipkumar Jain, wife and nominee under the said policy preferred a claim to L.I.C. of India, Thane Divisional Office of LIC of India, repudiated the liability stating that the deceased life assured had withheld material information regarding health at the time of effecting the assurance. Not satisfied with this decision, the claimant, Smt Parasdevi D Jain made a representation to the Zonal Manager of Western Zone of LIC of India which was also turned down. Hence being aggrieved she approached this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The evidence on record both oral and documentary have been scrutinized. It is evident from the notings made in the Indoor case papers of MBR Chikisthalaya that the deceased life assured had history of HIV since 4 years and Pulmonary Tuberculosis was diagnosed 4 years back as informed to the doctor by his wife. The deceased life assured had also taken Anti Koch's treatment and was a defaulter which meant that he was irregular in taking medicines and even discontinued the treatment before the full course. While considering all the medical notings, it would be important to note that the invasive progress of the disease could not have developed within 15 months of the date of proposal. The history recorded by the doctor in the hospital as told to him by the wife of the patient is credible as it is only aimed at getting best of treatment and attention from the attending physician and the hospital through proper diagnosis. Accordingly this cannot be dismissed as hearsay and the same clearly points to the fact that the onset of the disease was much before the date of proposal. It is well known that when the immunity goes down substantially various infections take place and the diseases affect slowly but surely T.B. with HIV infection is a common episode which gradually sets in over a period of time and therefore, the admission by the Life Assured's wife, being the closest partner of the Life Assured, is acceptable.

From the above facts, it could be established beyond doubt that the deceased life assured suppressed the material information and made misstatements regarding his health. Hence this Forum does not find any reason to interfere with the decision of LIC.

Mumbai Ombudsman Centre
Case No.LI-219 of 2005-2006
Smt Komal Ashok Kewalramani
Vs
Life Insurance Corporation of India

Award dated 31.8.2006

Shri Ashok Tarachand Kewalramani had taken a Life Insurance policy from L.I.C. of India, Ulhasnagar Branch Office, 917 of Thane Divisional Office. The date of proposal under policy was 25.03.2004 and the date of commencement of the policy was 26.03.2004. Shri Ashok Kewalramani unfortunately expired on 10.12.2004 due to Acute Myocardial Infarction. When Smt Komal A Kewalramani, wife and nominee under the said policy preferred a claim to the L.I.C. of India, Thane Divisional Office of LIC of India, informed Smt Kewalramani that as the above policy was in a lapsed condition due to non payment of quarterly premium due September'04 the claim was not payable. Not satisfied with this decision, the claimant, Smt Komal A Kewalramani represented to the Divisional Manager and not receiving any favourable response approached this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The entire documents on record have been scrutinized. The Complainant in her written statement as well as in her oral deposition before the Ombudsman admitted that the quarterly premium due in September, 2004 was not paid by her husband, the Life Assured. According to her, her husband had gone to LIC in September, 2004 and again in October 2004 to pay the premium, but LIC did not accept the same as the policy status was showing the premium due in September, 2004 as paid. Unfortunately there was no official record from LIC to confirm this position. The status report of the policy under dispute which is on record shows that premium due in September was paid on 1.9.2004 and the next premium would be due in December, 2004. As per the policy condition if the premium is not paid within the grace period, the policy lapses. In this case, as the life assured had not paid the premium due in September, 2004 technically the policy lapsed on 27.10.2004. However, since the status did not show "unpaid" premium as of September'04, there was unofficial confirmation to the Life Assured by LIC and his agent that his policy was in force. The mistake committed by LIC and consequent wrong policy status in fact assumed an official status before the Complainant with her right to claim the policy money as LIC further abetted it by sending the claim forms and in fact started to process the claim until the mistake was detected by their own Audit department. Hence by their action LIC accepted that the policy was in force and claim merited admissibility. Again, while no doubt, there has been gross negligence on the part of LIC, the fact remains that the premium due in September'04 was not paid by the life assured and as a result policy was in lapsed condition at the time of his death, hence the benefits cannot be claimed. The life assured was equally negligent in remaining silent and not making any sincere attempt to ask LIC to rectify the mistake and also pay his premium within the grace period. It is evident therefore, that the life assured tried to take advantage of the wrong status of the policy as per the Status Report which basically is an internal document of LIC and cannot be treated as a communication of payment to the life assured. In the facts and circumstances of the case, the Complainant is not entitled to get any relief in terms of the Policy. However, the status narrated by the Complainant appears to be the fact as LIC has produced a copy of the cancelled receipt. Clearly therefore, LIC failed to exercise proper care and control while dealing with such an important function of acceptance of premium. Accordingly, LIC should be penalized for the entire episode and should own their responsibility towards the policyholder and their legal heirs which caused a disastrous consequence of total repudiation of claim. Taking a lenient and sympathetic view about his lapse, I decide that an ex-gratia payment of Rs. 25,000 only be made by LIC to make amends for their lapse.

Mumbai Ombudsman Centre
Case No. LI-001 of 2006-2007
Smt. Swati Deepak Deshmukh
Vs

Life Insurance Corporation of India

Award dated .8.2006

Shri Deepak P.Deshmukh took a policy no. 882174647 from L.I.C. of India through proposal dated 15.09.2003 for Rs.50,000/- under Plan & Term 48/15(10) from Branch 88H under Mumbai Divisional Office II of L.I.C. of India. Nominee under this policy was his wife Smt. Swati D. Deshmukh. Shri Deepak died on 12.11.2004 due to liver cirrhosis c Ascites. When the claim was preferred by Smt. Deshmukh, L.I.C. of India repudiated the claim on 30.10.2005 on the ground that deceased life assured had suffered from Hepatitis for which he had consulted a medical man and had taken treatment from him. He was also on medical leave from 09.09.2003 to 18.09.2003 but he did not, however, disclose these facts in his proposal; instead he gave false answers to questions in the proposal. LIC therefore repudiated the claim on the ground that he had made deliberate incorrect statements and withheld correct information from them regarding his health at the time of effecting the assurance. Smt. Swati Deshmukh represented her case to Zonal Review Committee but they also upheld the decision of the Divisional Office to repudiate the claim. Aggrieved by the said decision, Smt. Deshmukh approached the Insurance Ombudsman by letter dated 03.04.2006 seeking interference in the matter.

The relevant documents on record have been scrutinised. As per the Medical Attendant's Certificate-Claim Form B dated 14.12.2004 issued by Dr. Pramod D.Paritekar, the cause of death was Liver Cirrhosis c Ascites and Shri D.P.Deshmukh had been suffering from this illness since 6 months. As per the Certificate of Hospital Treatment dated 14.12.2004 from Dhanvantari Hospital, Badlapur issued by the same doctor, the patient was admitted to that hospital on 29.09.2004 and 10.10.2004 with complaints of icterus since six months and the diagnosis arrived at the hospital was Liver Cirrhosis c Ascites Idiopathy.

In the Certificate by Employer-Claim Form E, it has been mentioned that Shri Deshmukh was on ESIC leave for 10 days from 09.09.2003 to 18.09.2003 for Hepatitis which is supported by the medical certificate dated 12.09.2003 and 19.09.2003 issued by the ESIC Clinic.

It is evident from the ESIC Clinic certificate submitted by the Life Assured to his employer for securing leave that he was suffering from Hepatitis from 12.09.2003 to 19.09.2003 and took treatment for the same from medical man and also availed leave on medical ground before the effective date of the policy. It is pertinent to note that the life assured signed the proposal for assurance when he was on medical leave and under treatment for hepatitis. It is clearly established from the Certificate of Hospital Treatment from Dhanvantari Hospital that subsequent to the issue of the policy he was continuously under the treatment and was admitted to the hospital twice on 29.09.2004 and 10.10.2004 for the illness arising out of the same disease which caused Cirrhosis of liver and ultimately his death.

He did not disclose the illness suffered by him and also the leave availed on medical ground in the proposal form, instead gave deliberate incorrect statements. Had he disclosed the correct information regarding the illness he was suffering, LIC would

have considered the proposal with different criteria on the basis of special medical reports which would have been called.

However, in the instant case the role of the Agent who issued the confidential report and is supposed to keep an update on the facts of the proposal submitted, failed to act or not acted properly for which LIC should take proper action.

**Mumbai Ombudsman Centre
Case No.LI-118 of 2006-2007
Smt Sneha Narendra Pandit**

Vs

Bajaj Allianz Life Insurance Company Ltd.

Award dated 6.9.2006

Shri Narendra P.Pandit had applied for a housing loan from Syndicate Bank to purchase a flat at Naigaon in July,2004. While sanctioning the loan, the bank suggested for housing loan coverage policy from Bajaj Allianz Life Insurance Co., as the bank was corporate agent of Bajaj Allianz. Accordingly, Shri Pandit took a Loan Protector Single Life Insurance Policy No.0005728064 from Bajaj Allianz Life Insurance Co.Ltd. for a Sum Insured of Rs. 3,30,000/- for a period of 12 years and first installment of premium Rs.13,461/- was also paid. The date of commencement of policy was 27.09.2004 and the date of acceptance of risk was 28.09.2004. Unfortunately, Shri Pandit expired on 22.09.2005 due to Heart attack at Cardinal Gracias Memorial Hospital, Vasai. When a claim was preferred under the said policy by the assignee, the Bajaj Allianz Life Insurance appointed an Investigator for investigating the matter and after getting the report, they informed Smt. Pandit that as per the investigations, medical reports and hospital certificates available with them, it was clear that the Life Assured was suffering from Diabetes since 3-4 years and on regular medication which was not disclosed in the proposal form hence the claim was not admissible as it falls under non-disclosure of material facts. On receipt of representation from Smt Sneha Pandit, wife of the policyholder, Bajaj Allianz reiterated their earlier stand of repudiation and same was intimated to her. Smt Sneha Pandit approached the Office of the Insurance Ombudsman seeking intervention of the Ombudsman for redressal of her grievance.

As per the certificate of death issued by Cardinal Gracious Memorial Hospital Trust, the cause of death was Cardio Respiratory Arrest due to Antero-septal Myocardial Infarction – Left Embolic Cerebro Vascular Accident and secondary cause was Diabetes Mellitus, Hypertension. Scrutiny of the hospital papers reveal that Shri Narendra Pandit was admitted to the above hospital and the provisional diagnosis arrived at the Hospital was “Rt.CVA c HT c ASMI”. It is evident from the certificate of Dr.Pankaj Mhatre, the family doctor of the deceased life assured, that the life assured had been suffering from diabetes mellitus and taking treatment from him for the past five years before his death. It is further confirmed from the notings made by the treating doctors of Cardinal Gracious Memorial Trust Hospital that he was a known case of diabetes mellitus since 3-4 years taking medicine regularly. This history, recorded by the doctor in the hospital was as told to him by the patient himself, is credible and it is only aimed at getting the best treatment and attention from the attending physician and the hospital through proper diagnosis. Accordingly, this cannot be dismissed as hearsay and the same clearly points to the fact that the onset of the disease was much before the date of proposal and the life assured was taking

treatment for the same. It could be established beyond doubt that the deceased life assured suppressed material information and made misstatements regarding his health. Had he disclosed the full facts regarding his past illness in the proposal form or to the medical examiner of the Insurer when presented to medical examination, the Insurer would have taken appropriate underwriting decision.

In the instant case, the life assured had replied negatively to the specific question in the proposal form eliciting correct information about his health status and also to the questions put to him by the medical examiner of the Insurer, thereby, prevented Bajaj Allianz Life Insurance Company from calling relevant medical reports before considering the proposal. The fact that he was medically examined before insurance does not absolve the life assured from non-disclosure of material facts of which he was aware.

Mumbai Ombudsman Centre
Case No.LI-037 of 2006-2007
Shri Ashish Agarwal
Vs
Life Insurance Corporation of India

Award dated 11.9.2006

Shri Navalkishor Ganpatrai Agarwal had taken a Life Insurance policy from L.I.C. of India, Branch, 897, of Mumbai Divisional Office-II for Rs. 2,00,000. The date of proposal under the policy was 27.9.2001 and the date of commencement was 19.4.2001. Unfortunately Shri Navalkishor G Agarwal expired on 13.04.2003 as a result of acute cardio respiratory failure due to anaemia. When Shri Ram Shankar Agarwal, who was the appointee under the policy preferred a claim, LIC of India, repudiated the liability stating that the deceased life assured had withheld material information regarding his previous policy at the time of effecting the assurance and they had indisputable proof to show that at the time of proposing for insurance Late Shri Navalkishore Agarwal was holding another policy no. 880878617 under Table and Term 88-20 for a Sum Assured of Rs. 1,00,000. Not satisfied with this decision, the claimant, Shri Ashish Agarwal made a representation to the Zonal Manager of Western Zone of LIC of India which was also turned down. Hence being aggrieved, he approached this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The entire documents on record have been examined. It has been revealed from the proposal form dated 27.9.2001 for the policy under dispute that the life assured did not disclose details of his previous policy no.880878617 taken by him in March 2000. To a specific question soliciting details of the previous insurance, he had replied 'No'. Under the Insurance law, the proposer is required to disclose all the material facts including details of the previous policies held by him at the time of applying for a new policy. This information is required by the Insurer to make a reference to previous policy records to ascertain the previous set of measurements which may indicate change/deterioration of the health of the life assured and /or any serious ailments which might have been disclosed in the previous proposals which would enable the underwriter to take appropriate decision in the latest proposal. In this case, it is established that the previous policy details which was material for underwriting the proposal was not disclosed by the life assured, instead he gave incorrect statement in the proposal form to mislead the Insurer.

However, I have to point out that the role of the concerned agent has to be examined by LIC and appropriate action taken as he had procured the previous policy also and was supposed to have knowledge of previous policy particulars not disclosed in the proposal form.

Mumbai Ombudsman Centre
Complaint No.LI-039 of 2006-2007
Smt Mohini Ratnakar Joshi
Vs
Life Insurance Corporation of India

Award dated 13.9.2006

Shri Ratnakar Anant Joshi had taken a Life Insurance policy from L.I.C. of India, Thane Divisional Office through his proposal dated 02.03.2003. The date of commencement of the policy was dated back to 27.01.2003. Shri Ratnakar A Joshi unfortunately expired on 27.2.2005 due to Hepatorenal Syndrome with hepatic encephalopathy. When Smt Mohini Joshi, wife and nominee under the policy preferred a claim under the above said policy, LIC of India, Thane D.O. repudiated the claim stating that the deceased life assured had withheld correct information regarding his health at the time of effecting the assurance and hence, in terms of the policy contract and declaration in the proposal form and personal statement, they were not liable for any payment under the policy. The basis for such a conclusion was that the deceased life assured Shri R.A Joshi was suffering from Hematemesis three years back, had history of G.I. surgery in January 1994, history of Cirrhosis with Portal hypertension and Diabetes Mellitus since two years for which he had consulted a medical practitioner and had taken treatment from a hospital before the date of proposal. Moreover they also had a proof that he was a chronic alcoholic for many years. These material facts were not disclosed at the time of proposing for the above said policy, instead Shri Joshi had given false answers. Not satisfied with this decision, the claimant, Smt Mohini Joshi made a representation to the Zonal Manager of Western Zone of LIC of India, but the Zonal Office Claims Review Committee also upheld the decision taken by the Divisional Office. Hence being aggrieved Smt Mohini Joshi approached this Forum for justice. After perusal of the records parties to the dispute were called for hearing. The relevant documents on record have been examined.

It is evident from the history recorded by the doctors of Jaslok Hospital that the deceased life assured was a "known alcoholic" for many years and they used the expression "heavy drinker" before he quit eight years back. It is also clearly mentioned in the hospital records that he first had Hematemesis three years ago in March, 2003. Hematemesis is blood vomiting which is a sure symptom of upper G.I. problems and most probably Esophagus varices. He had liver disease since that time. In view of these facts, it can be concluded that the answers given in the proposal form were false, untrue and amounted to suppression of material facts regarding health and habits of the life assured and clearly was in breach of the declaration made by him in the proposal form. There is no valid ground to interfere with the decision of LIC by this Forum.

Mumbai Ombudsman Centre
Case No.LI-075 of 2005-2006
Shri Abhijit Dilip Sarwate
Vs
Life Insurance Corporation of India

Award dated 29.9.2006

Smt Supriya Dilip Sarwate had taken a Life Insurance Policy No 951983794 from 95K Branch under Pune Divisional Office of L.I.C. of India, for a Sum Assured of Rs.5,00,000/- with date of commencement under the policy being 25.1.2003. Unfortunately Smt Supriya Dilip Sarwate expired on 9.1.2004 due to Metastasis Lung Cancer with malignant pericardial effusion with restrictive cardiac failure. When the claim for the policy moneys was preferred by Shri Abhijit Sarwate, son of the deceased life assured, it was observed by L.I.C. of India that Smt Sarwate withheld material information from them regarding the mammography report taken on 25.3.2002 . They said that if she had disclosed in the proposal form they would have called for Histopathological report and the decision would have been influenced. Not satisfied with the said decision, Shri Abhijit D Sarwate appealed to the Zonal Manager, Western Zonal Office of the L.I.C. of India and the Zonal Office also upheld the decision taken by the Divisional Office. Hence being aggrieved Shri Sarwate approached the Office of the Insurance Ombudsman for settlement of his claim. After perusal of the records parties to the dispute were called for hearing. As advised by the Ombudsman at the hearing Shri Abhijit Sarwate was asked to represent to Central Office of the L.I.C. of India. Accordingly, Shri Sarwate represented to Central Office of LIC and Central Office Claim Review Committee, after examination of the file, decided to make an ex-gratia payment of 50% of the sum assured which was conveyed to Shri Abhijit D Sarwate. Dissatisfied with the decision of LIC, Shri Abhijit Dilip Sarwate approached this Forum for settlement of his claim and hence this award is being issued. The entire records have been scrutinized at this Forum. It would be seen from the bone scan report dated 6.11.2003, that malignancy by itself was first suspected and the same was confirmed by Biopsy report dated 10.11.03. LIC's contention that they could have gone for further invasive examination through Mammography report is rather far fetched and an after thought following the treatment of adenocarcinoma much later after the policy was taken. In fact this is the most positive report confirming carcinoma and unfortunately it was at the stage of metastasis without primary focus known to the doctors. To sum it up Mammography report which has been examined by this Forum beginning 1997 have failed to suggest any evidence of any carcinoma and doctors have confirmed in their reports that they have failed to identify primary focus and she presented herself with metastatic lung and metastatic adenocarcinoma. It is also not known as to what was the basis of LIC to accept the claim for 50% following representation of the Complainant, which was not earlier considered. However, it appears that they have made an Ex-gratia payment maintaining their earlier stand that there has been non-disclosure of material fact. There is of course a point which needs examination. There was a specific question in the Medical Examiners' confidential report whether the Life Assured had undergone any radiological, cardiological, pathological or any other tests? To which a negative answer was recorded by the

Medical Examiner. In fact this could be a point against the Life Assured that there was a negative reply despite the fact that she had undertaken mammography tests regularly in each year after 1997 as per copies of report submitted to this Forum. To this extent it could be held that there was some non-disclosure of the radiological or pathological tests undertaken by the life assured. Mammography test is a special test and specifically done to detect any malignancy. However, no serious issue is to be made out of this since the reports were normal and it would have been an additional information to LIC but their contention that they would have pursued further invasive examination would be unacceptable, since there were no clues or indication or medical suggestions which would have forced their Underwriting Team which included Doctors, to pursue such a course.

Hence on the basis of the analysis duly corroborated by medical records, and giving the benefit of the doubt to the Life Assured for a possible non-disclosure of the tests which were all normal, I decide that the repudiation of the claim by LIC should be set aside and the claim should be entertained in full.