

BHUBANESHWAR

Bhubaneswar Ombudsman Centre

**Complaint No. 21-011-1684 Maturity Claim
Sri Naba Kishore Panda, Vs ING Vysya Life Ins.Co. Ltd
Date of Award 23.08.2013**

Fact: This is a complaint filed by the Complainant for less payment of matured value on his the policy of insurance by the OP-Insurer.

It is stated by the Complainant that in the year 2006 he had insured himself under ING Vysya Life Freedom plan unit-linked policy of insurance bearing no 00461955 of 5-year term with the OP through its Bhubaneswar Branch for Sum Assured of Rs.75, 000/- with risk coverage up to the age of 70 years paying the premiums of Rs.50,000/- at a time . The terms of the policy were intimated to him by ING Vysya Bank, Bhubaneswar Branch by letter dated 15.08.2006. He was assured that the maturity value of his policy would be Rs.75, 000/- or more. But a couple of months before the maturity of the policy, he was intimated by the OP under letter dated 31.05.2012 that his policy would mature on 03.08.2012 for Rs 30,230.94. Being shocked by such reduced amount of his maturity value, he contacted the OP's office at Bhubaneswar and raised his objection whereupon he was advised to surrender the policy. Accordingly, he deposited the policy on 17.07.2012 for consideration of his objection. When the position stood thus, he found Rs 30,869.74 having been credited to his Bank Account through ECS. Feeling aggrieved, he represented to the Manager, Customer Service of the OP at Bangalore but received no positive response. On 04.12.2012 he got a call from Bangalore office of the OP and was told that the matter should have been raised beforehand and that the Insurance Company had nothing do with the letter dated 15.08.2006 issued by the authorities of ING Vysya Bank, Bhubaneswar Branch. Being aggrieved by non-payment of the assured maturity value, he has filed the complaint seeking relief for payment of minimum amount of Rs 75,000/- as maturity value to him on his policy by the OP.

Basing upon the declarations, statements, documents, representations and information furnished by the Complainant, the policy bearing No 00461955 commencing from 03.08.2006 for sum assured of Rs 75,000/-with annual mode of payment of premium @ Rs 50,000/- for the term of 5 years was issued to the Complainant. The said policy documents along with the schedules, First Premium Receipt and Standard Terms and Conditions were dispatched in the mailing address of the Complainant through Blue-dart Courier under Consignment No. 11272344145 on 09.08.2006 and the same was delivered to the Complainant on 11.08.2006. As per the policy stipulations, the

percentage of premium allocation was 20% towards Debt Fund, 30% towards Balance Fund and 50% towards Growth Fund. The Complainant did not raise any objection to any of the policy terms & conditions within the free-look period of 15 days from the date of receipt of the policy. It is further stated by the OP that Unit-linked Insurance products are subject to volatility of share/stock market and such products carry no guarantee for any fixed return. Whenever a customer opts for a unit-linked product, it is understood that he/she is willing to accept the risk of market in hope of getting higher returns. After payment of initial premium which was paid at the time of proposal, the Policy holder-Complainant did not pay any further premium(s) on the policy for which several reminders were repeatedly sent to him from time to time by way of letters/SMS. It is further stated by the OP that various applicable charges i.e. initial policy charges, mortality charges, allocation charges, fund management charges, plan administration charges were deducted from time to time for covering the risk on respect of the Complainant. After maturity of the policy, the Complainant made the complaint on 25.09.2012 alleging mis-sale of the policy to him as an annual premium policy in place of a single -premium policy producing the letter dated 15.08.2006 issued to him by ING Vysya Bank in this regard.

Award:

The OP has pleaded its total ignorance about the issue of letter by ING Vysya Bank. There cannot be any controversy that the two are independent institutions operating in different areas of business. Functioning of the two institutions within one premises even if it is so would not make both one institution. No material is produced by the Complainant to show that ING Vysya Bank had any authority to speak for or to write on behalf of the OP- i.e., ING Life Insurance Company Ltd. One disquieting feature which is conspicuous in the letter is that it does not contain the name or designation of the signatory issuing the letter and the date of issue mentioned in the letter which was an all India holiday being the 15th August of the year which the letter bears. Issue of the letter by the Bank on such date adds to the doubt as to the genuineness of the letter. The authenticity of the document i.e. the so-called letter dated 15.08.2006 being not established and no material being produced to show that ING Vysya Bank had the authority to write on behalf of ING Vysya Insurance Company, neither the terms and conditions of the policy as set out in the letter nor letter can be given any credit. Once the letter is eliminated out of consideration, there remains no other material to support the contention of the Complainant that he took the single premium policy of insurance from the OP with one-time deposit of Rs. 50,000/- for the policy taken under annualised premium of Rs.15,000/- . It would ,therefore, follow that the complainant had taken the Freedom Plan policy of insurance which is unit-linked, with premium paying terms of 5 years on deposit of premium of

Rs.50,000/- by annual mode. It is not the case of the complainant that he paid any amount beyond Rs. 50,000/- on his policy. As stated the policy is unit-linked. . It is clearly provided under Risk Factors of policy terms & conditions vide policy condition no. 7.6 b. that investments in Units are subject to market and other risk and Policy Condition No. 7.6 c reads that the unit price of the units may fluctuate depending on factor and forces affecting capital markets and the level of interest rate prevailing in the market. It is well known that when policy is made unit-linked, it is liable to vagaries of market fluctuations. Thus, the unit value of a unit-linked policy depends on market situation prevalent at the relevant time . It is not stated by the Complainant that the calculation of unit value on his policy has been wrongly made. In these circumstances there is no justification to hold that the maturity value as paid by the OP on the policy was not appropriate. The complainant is , therefore ,not entitled to any relief as sought for by him. Hence the complaint being devoid of merit is hereby dismissed.

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Bhubaneswar Ombudsman Centre

Complaint No. 24-001-1709 Maturity Claim

Sri Jaya Krushna Pradhan, Vs LIC of India, Berhampur DO.

Date of Award 20.09.2013

Fact: This is a complaint filed by the Complainant for delay in settlement of maturity claim raised upon his policy of insurance, by the Insurer.

It is stated by the Complainant that while he was working as Inspector of Supplies in the office of the Civil Supply Officer, Sambalpur he had taken the Endowment Assurance policy under table & term 14-20 commencing from 28.09.1989 form LIC of India bearing no. 590155756 under Salary Saving Scheme on monthly premium of Rs 218/- to be deducted/remitted from his salary every month. As his was in a transferable job, premiums were deducted

from his salary by the respective Drawing and Disbursing Officers till December,2010 and remitted to the concerned LIC office. On 14.12.2010 he got a letter from the BM, LIC CAB, Berhampur stating that the monthly premiums in respect his policy were being deposited wrongly under policy no. 9015575. On enquiry he came to know that the entire amounts of the regular premiums were deposited into the wrong policy no. from 28.11.1989 to December,2010 except the premium for 28.09.1989. The policy matured on 28.09.2009. He intimated the fact to the BM, CAB, Berhampur vide letter no. 466 dated 03.02.2012 regarding miscredit of his premium deposits and requested to settle the maturity claim. But his claim is not settled and maturity value not paid to him.

The OP stated that the Complainant who had taken the policy of 20 year term with monthly mode of deposit of premiums @ Rs.218.10 under Salary Saving Scheme, being a Govt. servant, served during the policy period at different places in Odisha. His premium deductions were remitted under different wrong policy nos. to different policy servicing offices of the LIC for which the premium deposits on his policy could not adjusted to his policy account in full for settlement of the maturity claim.

Award:

No material is produced by the OP to show if any point of time it ever brought to the knowledge of the complainant about non-receipt of the instalment of premium in respect of his policy by it which was made payable under Salary Saving Scheme. However, it is now submitted on behalf of the OP that action is in progress to collect the particulars of the remittances of deposit of premiums which are wanting only for the period from July 2006 to December 2007 and that as soon as the same are received, the maturity claim would be settled. The maturity amount as the policy, a copy of which is filed by the Complainant would reflect, was due as long back as on 28.09.2009. The OP does not disown its liability for settlement of maturity claim of the Complainant and has sought for one month time to settle the claim. As it appears, only one week before the hearing i.e., on 17.08.2013 a letter was addressed by Berhampur DO of the OP to the Complainant to supply deduction particulars for the period from 7/2006 to 12/2007. In the circumstances, it would be appropriate to direct the OP to settle the maturity claim within a period of 15 days from the date of communication of this order. Hence, the complaint is allowed. The OP is directed to settle the maturity claim within a period of 15 days from the date of communication of this order and to pay the maturity amount to the Complainant in time. The complainant would do well to render assistance to the OP in the collection of wanting remittance particulars of the premiums for the period from July 2006 to December 2007.

CHANDIGARH

Chandigarh Ombudsman Centre

CASE NO. Reliance/742/Mumbai/Amritsar/22/13

In the matter of Gurdip Singh TanejaVs Reliance Life Insurance Company Ltd,

ORDER

**(Under the Redressal of Public Grievances Rules 1998 and
Arbitration & Conciliation Act, 1996)**

Order Dated: - 16.08.2013

Maturity Claim

1 Facts: -Shri Gurdip Singh Taneja had filed a complaint against Reliance Life Insurance Company about inadequate maturity claim payment by an amount of Rs 12000/- under policy bearing number 10426355. On 11.11.2011, the company intimated about the maturity due on 31.12.2011 and an approximate fund value of Rs 102978.66 payable. But, it was conveyed that Rs 91373.04 were credited to his bank account. When he wrote several times to pay the difference, the company did not respond. Hence feeling aggrieved, he has approached this office for a refund of Rs.12000/-

Findings: - The insurer clarified that the policy was a unit linked policy and fund value is dependent on volatile market situations and can not be fixed. Fund value at maturity was Rs.102978.66 and was settled after deducting statutory deductions as per rules.

Decision: - Held that there is no deficiency of service as the insurer settled the maturity claim as per terms and conditions. In case of plea of insurer that the fund value is linked with market conditions was upheld.