

Pages (231)

AHMEDABAD

Case No. 21-001-0086-10

Mr. V. V. Shrimali V/s.

Life Insurance Corporation of India

Award dated 30-09-2009

Repudiation of Permanent Disability claim under Life policy: The complainant met with a road accident resulting into amputation of right leg above the knee. He lodged a claim for the Permanent Disability Benefit claim under his four policies.

The respondent rejected the claim on the ground that the disability was not total and permanent and was not fulfilling the criteria to be entitled monetary benefit under the definition of Permanent Disability Benefit.

The Complainant pleaded that prior to the accident he was engaged in farming and animal husbandry for earning his livelihood. He also argued that after accident he had become incapacitated to engage himself into any activities for earning money and hence his disability should be treated as total and permanent and PDB claim should be settled.

Based on the submission of both the parties as at above it was decided that the subject claim did not meet the requirement for payment of Permanent Disability Benefit as defined in the policy contract.

In the result the complaint fails to succeed.

Case No. 24-001-0079-10

Mr. N.T.Ghelani V/s.

Life Insurance Corporation of India.

Award dated 27-07-200

The Complainant Shri N.T. Ghelani had taken two policies viz. whole Life Plan and Limited Payment whole Life Plan from LIC of India bearing No. 89214329 and 14749167 respectively.

The complainant was not agreeable with the dates of the maturity of both the policies as informed by the Respondent as under:

- a) Under policy No. 89214329 maturity date 12-12-09
- b) Under policy No. 14749167 maturity date 26-03-10

The complainant submitted that the date of maturity under both the subject policies should be the date on which he (the policyholder) completes 80 years of age i.e. on 24-5-09 being the birth anniversary of the complainant.

The Respondent submitted that maturity claim is payable on next anniversary of policy after attainment of 80 years of age or on completion of 40 years from the date of commencement of policy whichever is later.

The latest instructions on the subject are provided by Actuarial Department Circular ref: Act/1796/4 dated 6-3-02 which speaks as under:

“Sum Assured together with bonuses if any, will become payable under whole Life Policy on attainment of 80 years of age by the life assured or on completion of 40 years from the date of commencement of the policy whichever is later and incase of Whole Life limited payment policy on attainment of 80 years of age by the life assured provided the premiums have been paid for the limited period agreed upon the outset.”

The Respondent’s decision to treat the dates of maturity under the subject policies as 12-12-09 and 26-3-10 respectively was treated unjustified and set aside.

Thus the complaint succeeds.

Case No. 24-001-0079-10
Mr. N.T.Ghelani V/s.
Life Insurance Corporation of India.
Award dated 27-07-200

The Complainant Shri N.T. Ghelani had taken two policies viz. whole Life Plan and Limited Payment whole Life Plan from LIC of India bearing No. 89214329 and 14749167 respectively.

The complainant was not agreeable with the dates of the maturity of both the policies as informed by the Respondent as under:

- c) Under policy No. 89214329 maturity date 12-12-09
- d) Under policy No. 14749167 maturity date 26-03-10

The complainant submitted that the date of maturity under both the subject policies should be the date on which he (the policyholder) completes 80 years of age i.e. on 24-5-09 being the birth anniversary of the complainant.

The Respondent submitted that maturity claim is payable on next anniversary of policy after attainment of 80 years of age or on completion of 40 years from the date of commencement of policy whichever is later.

The latest instructions on the subject are provided by Actuarial Department Circular ref: Act/1796/4 dated 6-3-02 which speaks as under:

“Sum Assured together with bonuses if any, will become payable under whole Life Policy on attainment of 80 years of age by the life assured or on completion of 40 years from the date of commencement of the policy whichever is later and incase of Whole Life limited payment policy on attainment of 80 years of age by the life assured provided the premiums have been paid for the limited period agreed upon the outset.”

The Respondent’s decision to treat the dates of maturity under the subject policies as 12-12-09 and 26-3-10 respectively was treated unjustified and set aside.

Thus the complaint succeeds.

Case No. 21-001-0106-10

Ms.Jayshreeben N. Thakkar V/s. Life Insurance Corporation of India

Award dated 27-07-09

Repudiation of claim under LIC Health Plus Policy.

The Respondent had repudiated the claim for Major Surgical Benefits giving reason that the Surgery-Nephrostomy with Ureteric repair does not fall under the surgeries eligible under the subject policy.

The complainant submitted that she had undergone surgical operation of Rt.Nephrostomy with ureteric repair. The complainant pleaded that in the list of major surgeries covered under the policy at Sr.No.49 “Kidney and urinary tract” applies to her case.

The Respondent submitted a written opinion of their medical referee Doctor D.P.Shah, who opined that in Nephrostomy, kidney is not removed and is not covered under the subject policy.

The Respondent also submitted the list of various surgical procedures covered under the policy. In the said list under the heading "Kidney and urinary tract" following two operations are included.

- a) Renal transplant (recipient)
- b) Nephrectomy due to medical advice (not as a transplant donor)

The Respondent's decision to reject the claim on ground that surgical operation undergone by the complainant is not covered under the subject policies is justified and hence upheld.

Case No. 21-002-0110-10

Smt. D.H.Zala V/s.

SBI Life Insurance Co. Ltd.

Award Dated 31-7-2009

Repudiation of claim under Group Insurance Policy

The Deceased Life Assured Shri Harbhanji M. Zala had submitted a Declaration of Good Health being pre-requisite to be a member of Group Insurance Policy.

The Respondent submitted that the deceased Life Assured had undergone treatment of coronary Artery disease and Hypertension prior to the date of enrollment in the Group Insurance Scheme and yet gave false declaration of good health.

It was observed on perusal of the said declaration of Good Health that as on the date of the signing the same the DLA declared that he was in sound mental and physical health. He was not suffering from and had not suffered from diabetes, high blood pressure, epilepsy, paralysis, tuberculosis or any chronic disease, irreversible disease of the heart, liver, kidney, lungs, brain or cancer. He also declared that he had not been visiting a doctor on a regular basis in the past one year for any of the above mentioned ailments.

The Respondent produced 25 prescriptions given by Doctor Jyotin Shah for the period between 1995 to 2005 and also cash memo for medicines purchased. The Respondent also produced test Report dated 9-7-97 of C.U.Shah Diagnostic Centre.

The Complainant submitted that her husband had no serious physical illness and he had never undergone any medical checkup.

The Respondent submitted that the DLA had signed the declaration of good health on 3-3-06, the Group Insurance Scheme came into existence from 1-4-07, he died on 14-3-08 and claim was repudiated on 29-1-09 on the basis of suppression of material information knowingly with a fraudulent intention.

Though the protection of ennobling provision of section 45 of Insurance Act, 1938 was not available to the Respondent, yet the insurer held indisputable proof for suppression of material facts which justified repudiation of claim and hence their decision was upheld.

Thus the complaint was dismissed

Case No. 21-001-0086-10
Mr. V. V. Shrimali V/s.
Life Insurance Corporation of India
Award dated 30-09-2009

Repudiation of Permanent Disability claim under Life policy : The complainant met with a road accident resulting into amputation of right leg above the knee. He lodged a claim for the Permanent Disability Benefit claim under his four policies.

The respondent rejected the claim on the ground that the disability was not total and permanent and was not fulfilling the criteria to be entitled monetary benefit under the definition of Permanent Disability Benefit.

The Complainant pleaded that prior to the accident he was engaged in farming and animal husbandry for earning his livelihood. He also argued that after accident he had become incapacitated to engage himself into any activities for earning money and hence his disability should be treated as total and permanent and PDB claim should be settled.

Based on the submission of both the parties as at above it was decided that the subject claim did not meet the requirement for payment of Permanent Disability Benefit as defined in the policy contract. In the result the complaint fails to succeed.

Case No. 24-001-0079-10
Mr. N.T.Ghelani V/s.
Life Insurance Corporation of India.
Award dated 27-07-200

The Complainant Shri N.T. Ghelani had taken two policies viz. whole Life Plan and Limited Payment whole Life Plan from LIC of India bearing No. 89214329 and 14749167 respectively.

The complainant was not agreeable with the dates of the maturity of both the policies as informed by the Respondent as under :

- e) Under policy No. 89214329 maturity date 12-12-09
- f) Under policy No. 14749167 maturity date 26-03-10

The complainant submitted that the date of maturity under both the subject policies should be the date on which he (the policyholder) completes 80 years of age i.e. on 24-5-09 being the birth anniversary of the complainant.

The Respondent submitted that maturity claim is payable on next anniversary of policy after attainment of 80 years of age or on completion of 40 years from the date of commencement of policy whichever is later.

The latest instructions on the subject are provided by Actuarial Department Circular ref: Act/1796/4 dated 6-3-02 which speaks as under :

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The Respondent’s decision to treat the dates of maturity under the subject policies as 12-12-09 and 26-3-10 respectively was treated unjustified and set aside.

Thus the complaint succeeds.

Case No. 21-001-0106-10
Ms. Jayshreeben N. Thakkar V/s.
Life Insurance Corporation of India
Award dated 27-07-09

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The complainant submitted that she had undergone surgical operation of Rt.Nephrostomy with ureteric repair. The complainant pleaded that in the list of major surgeries covered under the policy at Sr.No.49 “Kidney and urinary tract” applies to her case.

The Respondent submitted a written opinion of their medical referee Doctor D.P.Shah, who opined that in Nephrostomy, kidney is not removed and is not covered under the subject policy.

The Respondent also submitted the list of various surgical procedures covered under the policy. In the said list under the heading “Kidney and urinary tract” following two operations are included.

- c) Renal transplant (recipient)
- d) Nephroctomy due to medical advice (not as a transplant donor)

The Respondent’s decision to reject the claim on ground that surgical operation undergone by the complainant is not covered under the subject policies is justified and hence upheld.

Case No. 21-002-0110-10

Smt. D.H.Zala V/s.

SBI Life Insurance Co. Ltd.

Award Dated 31-7-2009

Repudiation of claim under Group Insurance Policy

The Deceased Life Assured Shri Harbhanji M. Zala had submitted a Declaration of Good Health being pre-requisite to be a member of Group Insurance Policy.

The Respondent submitted that the deceased Life Assured had undergone treatment of coronary Artery disease and Hypertension prior to the date of enrollment in the Group Insurance Scheme and yet gave false declaration of good health.

It was observed on perusal of the said declaration of Good Health that as on the date of the signing the same the DLA declared that he was in sound mental and physical health. He was not suffering from and had not suffered from diabetes, high blood pressure, epilepsy, paralysis, tuberculosis or any chronic disease, irreversible disease of the heart, liver, kidney, lungs, brain or cancer. He also declared that he had not been visiting a doctor on a regular basis in the past one year for any of the above mentioned ailments.

The Respondent produced 25 prescriptions given by Doctor Jyotin Shah for the period between 1995 to 2005 and also cash memo for medicines purchased. The Respondent also produced test Report dated 9-7-97 of C.U.Shah Diagnostic Centre.

The Complainant submitted that her husband had no serious physical illness and he had never undergone any medical checkup.

The Respondent submitted that the DLA had signed the declaration of good health on 3-3-06, the Group Insurance Scheme came into existence from 1-4-07, he died on 14-3-08 and claim was repudiated on 29-1-09 on the basis of suppression of material information knowingly with a fraudulent intention.

Though the protection of ennobling provision of section 45 of Insurance Act, 1938 was not available to the Respondent, yet the insurer held indisputable proof for suppression of material facts which justified repudiation of claim and hence their decision was upheld.

Thus the complaint was dismissed

BHOPAL

MISCELLANEOUS

Shri Prakash Verma - Complainant
HDFC Standard life Ins.Co.ltd - Respondent

Order noBPL/LI/03-09/01
CASE NO. HDFC/315-20/02-09/mum

Shri Prakash Verma, resident of Indore, M.P. has lodged the complaint that he has misguidedly been misled by Shri Anil Niranjana and sold unit linked endowment policy no. 10694105 on 23.08.06. He was assured that 99% allocation will be done under the policy from the first year, but on receipt of the statement of fund allocation he found that allocation was done @ 70%. Hence, he wrote to the company, complaining against Shri Anil Niranjana and also requested to the company to cancel the policy and refund the full amount paid by him to company on 13.11.2008. The respondent has rejected his application on the ground of free-look period is over.

The complainant present himself and submitted that Shri Anil Niranjana has misguided me and sold the above policy saying that the allocation charges will be only 1%, but on receipt of fund statement allocation was charges 30%, which is a breach of trust and hence, the amount paid by me for the period Aug. 2006 to Oct. 2008 @ 2500/- per month should be refunded to me.

FINDINGS & CONCLUSIONS:-

There is no doubt that policy no. 10694105 was issued on 30.08.06 and delivered on 02.09.06, whereas, the application for cancellation of policy made on 13.11.2008. Hence, the action taken by the respondent is just & fair and does not require any intervention.

In view of the above the complaint is dismissed without any relief.

End

misc.

Shri Vimal Kumar Gupta..... Complainant
HDFC Standard life Ins.Co.ltd.....Respondent

Order noBPL/LI/03-09/02
CASENO. HDFC/342-20/03-09/mum

Brief Background

Shri Vimal Kumar Gupta, resident of Indore, M.P. has lodged the complaint that he has proposed for insurance with HDFC Standard Life Insurance on 17.01.2008 and paid Rs. 10,000/- towards yearly premium for unit linked Youngstar Suvidha Policy, which was converted into policy no. 11553339 on 21.01.2008 and the policy was received by him on 14.02.2008, along with the copy of the proposal forms. On 31.12.2008 he has written to cancel the policy and refund the full amount paid by him as the proposal form signed by him is completed changed and the details regarding his profession are also not correct. The respondent informed him vide their letter 20th Jan. 2009 that request for cancellation of policy is received after free look period is over. Hence, premium cannot be refunded, and advised him to continue the policy.

For the sake of natural justice hearing was fixed on 21/04/2009 at Bhopal.

The complainant presents himself and submitted that the signature on the proposal form and the signature on PAN card is different, moreover, the particulars of my profession is also wrong. The papers of proposal forms are changed after my signature, and signature done on the proposal form is forged. Hence, the policy should be cancelled and full amount is to be refunded to me.

The respondent represented by Shri Thomas, Legal Manager, of respondent, submitted that the policy was proposed on 17.01.2008 and the policy was received by the complainant on 14.02.2008, whereas, request for cancellation of policy was made on 31.12.2008. It is our practice that immediately after completion of the policy; the copy of entire set of proposal form are being sent to the policy holder, for his verification and if anything is found objectionable he can cancel the policy within 15 days from the date of receipt of the policy(i.e. free look period). Under the above case, the complainant has requested to cancel the policy after 10 months, which is not permissible as per the condition of the policy.

However, his complaint for forged signature is totally baseless. It is known that the signatures' may differ, but cannot be claim as a forged signature, unless, it is certified by some handwriting experts.

FINDINGS & CONCLUSIONS:-

There is no doubt that policy no. 11553339 was issued on 21.01.2008 and received on 14.02.2008, whereas, the application for cancellation of policy made on 31.12.2008.

Decision held that without the certification of hand writing experts it is very difficult to prove the forged signature. This forum has no power to get it certify from the experts. Hence, the complainant is advised to go to any Court of law for justice.

-----End-----

misc.

Smt. Chhaya Mandal..... Complainant

Kotak Mahindra life Ins.Co.ltd.....Respondent

Order no BPL/LI/04-09/03
CASE No. KTK/306-20/02-09/mum

Brief Background

Smt Chhaya Mandal w/o Shri R.K. Mandal, resident of Morena, M.P. complained that she was insured under policy no. 013288101 under Kotak Smart Advantage fund on 22.09.2008 and paid Rs. 15000/-. Policy of which received on 29.12.08. On verifying the same she felt that policy is not suitable to her, hence requested to the respondent to cancel the policy during free look period on 01.01.2009. However, she has not obtained the receipt of the same letter. Again, wrote on 28.01.2009 and 09.02.2009. There was no response from the respondent.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.28-01-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the full amount.

For the sake of natural justice hearing was fixed on 22/04/2009 at Bhopal.

The complainant presents herself and submitted that she received policy on 29.12.2008 and she wrote for the cancellation of policy during free look period on 01.01.2009, however she confirmed that she did not obtained acknowledgement of the letter from the respondent nor they have any copy of the letter with her. Moreover the original policy document is still with the complainant.

The respondent represented that they have received a letter for cancellation of policy after free look period i.e. 09.02.2009, whereas policy was delivered on 29.12.2008. As per the terms & conditions of the policy cannot be cancelled and premium deposited is not refundable.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submissions made during hearing and my observations are summarized as follow.

There is no doubt that policy no. 1328810 was issued on 22.09.2008, whereas, the application for cancellation of policy received by the respondent was 29.12.2008.

I am of the considered opinion that the complainant has submitted application for cancellation of the policy after free look period is over. Hence, as per the terms & conditions of the policy, respondent's action is just & fair, requires no interference.

The complaint is dismissed without any relief.

-----**End**-----

Shri Karan Singh JainComplainant
H.D.F.C. Standard Life Insurance.....Respondent

Order No. BPL/LI/ 09-10/06
Case No.HDFC/322/03-09/MUM

Shri Karan Singh Jain, Advocate, Residence of Morena ,Gwalior [M.P] complaint that he has proposed on the life of his son surendra Kumar jain [DLA] for the benefit of his grandson, Ankesh, on Date 03/11/06 for Unit Link Endowment Plus plan and paid Rs.12500, for which he has been issued receipt no. 1960059 on 4/11/2006. Respondent has changed the plan subsequently to Unit link pension plus without his knowledge and signature. The signature made in proposal is also forged signature and issued policy nos. 10811390 on 18/12/2006 under unit link pension plan. The DLA died on 1/12/2008, claim preferred by the Complainant processed by the Respondent and send the voucher for Rs. 22511.40 towards unitized fund value of the policy. Aggrieved from the action of the Respondent approached this office seeking direction for payment of policy on the basis unit link endowment plus plan.

For the sake of natural justice hearing was held on 11-05-2009. The complainant present himself and submitted that he has proposed the policy on 03-11-2006 on his son's life under Unit linked Endowment plus plan for the benefit of his grandson and paid half yearly premium Rs. 12500/ and produced the receipt no.19600059 dtd. 4-11-2006. Respondent presented by Mr. Chaturvedi Legal officer submitted that the proposal was signed on 3-11-2006 was for Unit plus Endowment and accordingly the receipt is issued for proposal deposit for Rs. 12500/ on 4-11-2006. The issuance of policy was pending for want of medical of DLA, which was conveyed to him. On 10-12-2006 DLA submitted letter dt. 10-12-2006 and fresh proposal form dt.10-12-2006 to issue policy under Unit Link Pension plus plan .and submitted the copy of proposal form and letter signed by DLA. As per the terms and conditions of policy on receipt of death claim intimation the claim was processed and issued voucher for Rs.22511.40 for the signature of claimant which is yet to be received. On enquiry regarding the signature of DLA, done on letter and proposal both dated 10-12-2006 he confirmed, but refused his signature made in the column of Appointee.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on record and submission made during the hearing and my observation summarized as under.

There is no doubt that initially the proposal was submitted for Unit Linked Endowment plan as per the receipt dtd. 4-11-2006 subsequently the plan is changed to Unit Link Pension plan as per the letter and proposal form dt.10-12-2006. The genuineness of the signature of DLA on the same also not been refused by the complainant. Under the circumstance I am of the opinion that respondent action is seems to be correct and requires no intervention.

The complainant is directed to submit the voucher **for Rs. 22511.40** duly completed to the respondent to enable them to .make payment. The respondent is also directed to pay claim within 7 days on receipt of duly signed voucher from the complainant.

Dated at BHOPAL on 13th day of May, 2009

-----**END**-----

Misc.

Shri Vipin Kumar Banvat & others..... Complainant
Bajaj Allianz life Ins.Co.ltd.....Respondent

Order no BPL/LI/05-09/13
CASE No. BA/356-22/03-09/pune

Brief Background

Shri Vipin Kumar Banvat & his family members, resident of Astha, Distt. Sehore, M.P. complained that they were insured under following policies.

1. Policy No. 0020892018, - Rajesh Kumar Banvat –
Premium 30,000/- under Unit gain Super Policy date of issue
28.10.2006
2. Policy No. 20619277 - Mrs. Rekha Banvat – Prm.25,000/- date of
issue 25.10.2006 under Unit gain Super Policy
3. Policy No. 18205452 - Mr. Vipin Kumar Banvat – Prm. 25000/- date
of issue 28.07.2006 under Unit gain super policy

And

4. Policy No. 20616496 - Mrs. Sharmila Banvat – Prm. 25000/- date of
issue 25.10.2006 under Unit gain super policy.

However, despite of several reminders the company has not issued them policy documents and asked for to submit indemnity Bond to issue duplicate policy. The complainant says that when the policy document is not issued to us, what is the need to submit indemnity bond, if, company has delivered the policy documents to us kindly, submit the proof of the same otherwise refund the full amount with interest.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.29-03-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the full amount.

For the sake of natural justice hearing was fixed on 11/05/2009 at Bhopal.

The complainant presents himself and submitted that despite of several reminders and personal follow up telephonically and through email the respondent did not cared to issue original policy documents. He has obtained the FPR receipts from the field officer Mr. Chowkse from his residence. The respondent has asked us to submit indemnity bond to enable them to issue a fresh policy. We are not willing to submit indemnity bond as we have not received original policy documents, if the respondent has delivered the policy documents, produce us the receipts of the same or let us have the information of receiver and date or refund the full amount with interest.

The respondent represented by Shri Pradeep Mahore, Manger of Bajaj Allianz, GTB Branch, Bhopal submitted that we are issuing the policy along with the copy of FPR. The submission of copy of FPR by the complainant proves that the policy document must have been received by them. He has requested to give some time to follow up with the company's Head office to settle the issue.

Accordingly, 15 days period were granted by Hon'ble Ombudsman to the respondent to settle the issue.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submissions made during hearing and my observations are summarized as follow:-

There is no doubt that the above policies were issued to the complainant & his relatives.

The respondent is failed to submit the proof of delivery of the original policy documents. Inspite of 15 days period granted to them respondent is failed to settle the issue.

I am of the considered opinion that the respondent could have issue a fresh policy documents waiving the requirement of indemnity bond but they failed to do it.

The respondent is directed to refund the full amount of premium received by them i.e. Rs. 105000.00 along with the interest @ 9% from the date of receipt to till the date of refund.

Dated at BHOPAL, on 25th June, 2009

-----**END**-----

Misc.

Dr. Akhilesh Goswami **Complainant**
Bajaj allianz life Ins.Co.ltd.....**Respondent**

Order no BPL/LI/04-09/14
CASE No. BA/05-23/01-09/Pune

Brief Background

Dr. Akhilesh Goswami, resident of Bhopal, M.P. complained that he has purchased policy no. 13998066 under Unit Gain Super Plan on 20.12.2005 and invested Rs. 100000/- by cheque no. 940901 dtd.15.12.2005 and paid subsequent premium on 07.03.2007 vide cheque no.940905 for Rs. 1.00 lakh. Both the cheques were realized from his account. On 07.01.2008 he switches over from equity plus to debit plus and again from debit plus to equity on 25.02.2009. The fund value on 07.01.2008 was Rs.298331.63. On 12.02.2009 statement shown policy was lapsed condition. On inquiry it comes to know that due to dishonor of the first cheque no.940901, company has refunded the subsequent premium received by them through cheque no. 940905 for Rs. 1.00 lakh; subsequently on 02.01.2009 vide cheque no. 701226 for Rs. 1.00 lakh, which was encashed by the complainant. The complainant has also produced the passbook of his bank account showing debiting amt. of Rs. 1.00 lakh of cheque no. 940901. On receipt of the proof the policy was re-instated and advised to the complainant to return the cheque no. 701226 of Rs. 1.00 lakh or deposit the amount of Rs. 1.00 lakh.

The complainant insists to have in writing to deposit the amount, which the respondent refused to give in writing. The fund statement dtd.21.03.2009 shows the status of policy as lapsed condition.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.06-04-09 to the Hon'ble ombudsman seeking direction to the respondent to re-instate the policy and credit to his account amt. of Rs. 341525.98.

For the sake of natural justice hearing was fixed on 07/07/2009 at Bhopal.

The respondent represented by Shri Nitendra Singh Bais, Astt. Branch Supervisor, submitted that the complainant has two options either he should deposit Rs. 1.00 lakh and maintain the status quo of the policy or apply for partial withdrawal for that he should bear 15% penalty of the deposited amount. On receipt of the payment company will re-instate the fund value.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submissions made during hearing and my observations are summarized as follows.

There is no doubt that the above policy was issued on 20.12.2005, and two premiums each of Rs. 1.00 lakh were paid. The complainant has also switched over on 07.01.2008 and 25.02.2009. The status of the policy as on 13.03.2009 was in lapsed condition.

As the company has shown their willingness to redress the grievances on receipt of policy premium Rs. 1.00 lakh or partial withdrawal application, the complainant is directed to either to pay the premium or submit partial withdrawal application to resolve the issue.

Dated at BHOPAL, on 07th of July 2009.

-----**END**-----

Misc.

Rajkumari Rajak **Complainant**
Bajaj allianz life Ins.Co.ltd.....**Respondent**

Order no BPL/LI/04-09/15
CASE No. BA/56-22/05-09/Pune

Brief Background

Rajkumari Rajak, resident of Bhopal, M.P. complained that she has purchased policy no. 88175388, 88178260 under New Unit Gain Plan for Rs. 20000, 30000 on 22.02.2008 and Policy No. 98793215 for Rs. 30000/- on 12.08.2008 with the understanding that only single premium plan. However, the agent has mis-guided her and issues the policies under annual premium for 20 years. After completion of one year she received intimation for subsequent premium , she came to know that premium is payable for every years for 20 years, which is beyond her income. Hence, wrote to the company on 16.03.2009 to cancel the policy and refund the amount.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.01-06-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

For the sake of natural justice hearing was fixed on 07/07/2009 at Bhopal.

The complainant presents herself and submitted that she is a washerwoman and engaged in laundry business having a meager amount to run their livelihood. The agent has misguided her by issuing a policy under annual mode instead of single premium. She has invested Rs. 80,000/- for herself and Rs. 50,000/- for his son and Rs. 20000/- for her daughter. It is not possible to continue the policy under annual mode.

The respondent represented by Shri Nitendra Singh Bais, Astt. Branch Supervisor, submitted that the policies were issued as per the proposal form and she has not also availed option of free look period, hence we are unable to refund the premium as per the policy condition.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submissions made during hearing and my observations are summarized as follow.

There is no doubt that the policy no. 88175388, 88178260 under New Unit Gain Plan for Rs. 20000, 30000 on 22.02.2008 and Policy No. 98793215 for Rs. 30000/- on 12.08.2008 were purchased. It is a known fact that proposal form are being filled in by the agents only, only signature are being obtained by the policy holder. The proposal form is printed in English and signed by the complainant in Hindi. The Q. No. 5, premium frequency column is also misleading. The annual income of the proposer shown is Rs. 1,20000/- p.a., it is difficult to convince that the persons having a income of Rs. 1,20000/- p.a. can pay annual premium Rs.80,000/- which proves that it is a mis-presentation of facts for the personal interest. The company should also take into account the annual income of the proposer in relation with the premium amount.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-presentation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 80,000/- with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days to the receipt of this order.

Dated at BHOPAL, on 07th of July 2009.

-----**END**-----

Misc

Neelam Rajak **Complainant**
Bajaj allianz life Ins.Co.ltd.....**Respondent**

Order no BPL/LI/04-09/16
CASE No. BA/56-22/05-09/Pune

Brief Background

Neelam Rajak, resident of Bhopal, M.P. complained that she has purchased policy no. 98795160 under New Unit Gain + Gold Plan for Rs. 20000/- with the understanding that only single premium plan. However, the agent has misguided her and issues the policy under annual premium for 20 years. After completion of one year she received intimation for subsequent premium, she came to know that premium is payable for every years for 20 years, which is beyond her income, as she has no source of income. Hence, wrote to the company on 16.03.2009 to cancel the policy and refund the amount.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.01-06-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

For the sake of natural justice hearing was fixed on 07/07/2009 at Bhopal.

The complainant presents herself and submitted that she has no source of income. The agent has misguided her by issuing a policy under annual mode instead of single premium for 20 years.

The respondent represented by Shri Nitendra Singh Bais, Astd. Branch Supervisor, submitted that the policies were issued as per the proposal form and she has not also availed option of free look period, hence we are unable to refund the premium as per the policy condition.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submissions made during hearing and my observations are summarized as follow.

There is no doubt that the policy no. 98795160 under New Unit Gain + Gold Plan for Rs. 20000/-. It is a known fact that proposal form are being filled in by the agents only, only signature are being obtained by the policy holder. The Q. No. 5, premium frequency column is also misleading. The annual income of the proposer shown is Rs. 1,20,000/- p.a., it is difficult to convince that the person having no source of income can pay annual premium Rs.20,000/- which proves that it is a misrepresentation of facts for the personal interest.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-presentation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 20,000/- with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days to the receipt of this order.

Dated at BHOPAL, on 07th of July 2009.

-----**END**-----

Misc.

Nitin Rajak **Complainant**
Bajaj allianz life Ins.Co.ltd.....**Respondent**

Order no BPL/LI/04-09/17
CASE No. BA/68-22/05-09/Pune

Brief Background

Nitin Rajak, resident of Bhopal, M.P. complained that he has purchased policy no. 88159346 and 88168256 under New Unit Gain Plan for Rs. 30000/- and 20000/- with the understanding that only single premium plan. However, the agent has mis-guided him and issue the policy under annual premium for 20 years. After completion of one year he received intimation for subsequent premium, he came to know that premium is payable for every years for 20 years, which is beyond his capacity, as he is a student studying in second year of B.com having no source of income. Hence, wrote to the company on 16.03.2009 to cancel the policy and refund the amount. Company has refused to cancel the policy and refund of premium.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.01-06-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

For the sake of natural justice hearing was fixed on 07/07/2009 at Bhopal.

The complainant presents himself and submitted that he has no source of income. The agent has misguided her by issuing a policy under annual mode instead of single premium for 20 years.

The respondent represented by Shri Nitendra Singh Bais, Astt. Branch Supervisor, submitted that the policies were issued as per the proposal form and he has not also availed option of free look period, hence we are unable to refund the premium as per the policy condition.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submissions made during hearing and my observations are summarized as follow.

There is no doubt that the policy nos. 88159346 and 88168256 under New Unit Gain Plan for Rs. 30000/- and 20000/- were purchased. It is a known fact that proposal form are being filled in by the agents only, only signature are being obtained by the policy holder. The Q. No. 5, premium frequency column is also misleading. The annual income of the proposer shown is Rs. 1,20,000/- p.a., it is difficult to convince that the person having no source of income can pay annual premium Rs.20,000/- which proves that it is a mis-presentation of facts for the personal interest.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-presentation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 20,000/- with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days to the receipt of this order.

Dated at BHOPAL, on 07th of July 2009.

-----**END**-----

Misc.

Atul Ghiya.....Complainant
Birla Sun Life Ins.Co.Ltd.....Respondent

Order No. BPL/LI/04-09/19
BSL/16-22/04-09/Mum

Brief Background

Atul Ghiya, resident of Indore M.P. complained that he has proposed for the policy and paid Rs. 761556/- on 29.12.2005 which was resulted into policy no. 545664 on 17.02.2006. On 18.02.2006 he has submitted his application for cancellation of the proposal and refund the amount in full to Branch Manager, BSL,Indore and got the acknowledgement on copy thereof. Thereafter, he has sent several reminders and emails to the respondent but they did not respond and refused to refund the premium. Ultimately, he lodges the complaint to Insurance Ombudsman on 14.01.2009. The complainant was represented by his daughter Ku. Shruti Ghiya submitted that they have proposed for the insurance and issued cheque on 29.12.2005 and the refund of premium received on 08.04.2009 only after intervention of Bima Lokpal. The respondent has utilized our fund Rs. 761556/- for about 3 years and 2 months. Hence, they should be compensated with the interest amount @ 18%.

The respondent represented by Smt. Madhulika Shukla, Asstt. Manager compliance submitted that the complaint prima-facia liable to dismiss on the principle of Res judicata. The respondent has not received the application dated 18.02.2006 by the freelook department at head office hence they could not proceed for the refund. Only after receiving the complaint through ombudsman office they have decided to refund the premium under freelook period as a special case. And accordingly, they have refunded the full premium amount and handed over the cheque to the complainant on 08.04.2009 within 8 days after the order of the ombudsman. Hence, interest is not payable. The complaint is liable to dismiss.

FINDINGS & CONCLUSIONS:-

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

There is no doubt that the complainant has proposed for the policy and paid Rs. 761556/- on 29.12.2005 which was resulted into policy no. 545664 on 17.02.2006. On 18.02.2006 he has submitted his application for cancellation of the proposal and refund the amount in full to Branch Manager, BSL, Indore and got the acknowledgement on copy thereof.

It is also proved that respondent has refunded the premium on 08.04.2009.

The respondent has submitted that the prima facie the complaint is liable to dismiss on the principle of Res judicate.

The respondent has refunded the premium vide their cheque no. 663715 dated 26.3.2009 i.e. before the date of hearing fixed on 30.03.2009 and passing the order by Hon'ble Ombudman. Ombudsman has passed the order on 31.03.2009 as under :-

“The respondent has brought the cheque for Rs. 761556/- to deliver to the complainant, but since the complainant was not present the Respondent is directed to send the said cheque directly to the complainant by registered AD and submit the acknowledgement”.

Order was only for delivering the cheque to the complainant under proper acknowledgement and not passed the order for payment as it was already been made by the respondent. Hence, the argument of Re-judicata is not sustainable.

The acknowledgement of cheque given by the respondent is under protest. The respondent has utilized the money of the complainant for about 3 years and 2 months without any valid reason.

In view of the above for the sake of equity and justice the respondent is directed to pay interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days from the date of receipt of this order

Dated at Bhopal, on 9th of July 2009.

-----END-----

Misc.

Shri R.N.Jha **Complainant**
ICICI Prudential life Ins.Co.ltd.....**Respondent**

Order no BPL/LI/04-09/20
CASE No. ICICI/32-23/05-09/Mum

Brief Background

Shri R.N. Jha, resident of Jabalpur, M.P. complained that he was insured under Policy No. 6685719 Hospital Care Plan –A for annual limit of Rs. 4.00 lakh on 20.11.2007. He was admitted at Maha Kaushal Hospital, Jabalpur for the period from 01.10.08 to 05.10.2008 for the treatment of systematic hyper-tension with hypertensive heart disease and nephropathy for which he claimed amount of Rs. 18000/- out of which he was paid Rs. 6000/- on 24.01.2009. Thereafter, he was admitted at Escorts Heart Institute, New Delhi for the period from 25.11.2008 to 28.11.2008 for Angiography and Angioplasty and claimed amount Rs. 2,49000/- as against he was paid Rs. 79000/-.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.04-05-09 to the Hon'ble ombudsman seeking direction to the respondent.

For the sake of natural justice hearing was fixed on 13/07/2009 at Bhopal.

The complainant did not presents himself on contacting on telephone he expressed his inability to appear and request to conduct hearing in his absence and assured that whatever the decision taken by the Hon'ble Ombudsman will be abide by him.

The respondent represented by Shri Mahesh Baniya, Cluster Manager submitted that as per the terms & condition of the policy the complainant entitled for DHCB and ICUB and surgical benefit and accordingly, company has settled his both claim for Rs. 6000/- and 79000/-. Hence the complaint is rejected.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submissions made during hearing and my observations are summarized as follow.

There is no doubt that the above policies were issued to the complainant. As per the policy condition of the Hospital Care + Plan A of the complainant was eligible for Rs. 4.00 lakh annual benefit limit and 20.00 lakh life time limit. The payment particulars submitted by the respondent for Rs.6000 and 79000/- justify the payments as per the terms & condition of the policy.

In view of the above the complaint is dismissed without any relief.

Dated at BHOPAL, on 16th of July 2009.

-----**END**-----

Misc.

Shri Anil Kumar Rajak.....Complainant
BAJAJ ALLIENZRespondent

Order No.BPL/LI 09-10/ 23
Case No. BA-67-22/06-09 Pune

Brief Background

Shri Anil kumar Rajak, resident of Bhopal, lodged complaint that he has purchased policy nos. 91883637 and 91960946 under New Unit Gain plan for 25000/ each with the understanding only under single plan and the amount will be doubled in three years .The Agent has misguided him and obtained his signature on blank form and issued him policy under annual mode of payment for 20years instead of single premium plan, which he came to know only on receiving reminders for renewal premium. He wrote to the Respondent on 16-03-09 showing his inability to pay Rs. 50000/ per annum, being washer man having income of Rs. 5000/ per month and requested them to cancel the policy and refund the premium with interest. The Respondent refused to cancel the policy and refund the premium.

Aggrieved from the action of Respondent complainant on 01-06-09 to the Hon. Ombudsman seeking direction to the Respondent to refund the premium amount with interest.

For the sake of natural justice hearing was fixed on 15-07-09 at Bhopal.

The Complainant presents himself and submitted that he is washer man and his income is around Rs. 5000/ per month. The agent has misguided me. He assured me that amount will be doubled in three years and took my signature on blank forms and issued me policies for 20 years instead of single premium, which is beyond my capacity to pay annual premium Rs. 50000/ per annum. The annual income shown as Rs. 120000/ is totally wrong. Hence the policy may be cancelled and refund the premium with interest.

The Respondent represented by Shri Pradip Mahore, Asst. Manager, submitted the policy is issued as per the proposal form submitted by the complainant and request for cancellation is received after free look period is over; hence they are unable to refund the premium as per the terms and conditions of the policy.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that policy nos. 91883637 and 91960946 were issued to the complainant for annual premium of Rs. 25000/ each for 20years terms under Unit Gain plan.

It is a known fact that proposal forms are being filled in by agent on behalf of proposer and obtained signature on blank forms.

The Q. Nos. 5 of proposal form relating to premium frequency column is also misleading.

It is difficult to convince that a person having of income of Rs. 5000/ can pay Rs.50000/ Premium for 20years, leads to believe that financial underwriting concept has totally ignored at underwriting stage.

The annual income shown by agent as Rs. 120000/ is proved malafide intention of Agent.

The insurance is a contract of **UTMOST GOOD FAITH**; both the parties to contract are expected to reveal the facts only. Any mis representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and natural justice the Respondent is directed to cancel the policies and refund the full amount of premium Rs. 50000/ with interest @9% from the date of receipt of premium to till the date of payment , within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 17th day of JULY. 2009

-----**END**-----

Misc.

Shri Laxmi Narayan Rajak.....Complainant

BAJAJ ALLIENZRespondent

Order No.BPL/LI 09-10/ 24

Case No. BA-69-22/06-09 Pune

Brief Background

Shri Laxmi narayan Rajak, resident of Bhopal, lodged complaint that he has purchased policy nos.88173244 and 88171302 under New Unit Gain plan for Rs.30000 and 20000/ each with the understanding only under single plan and the amount will be doubled in three years .The Agent has misguided him and obtained his signature on blank form and issued him policy under annual mode of payment for 20years instead of single premium plan, which he came to know only on receiving reminders for renewal premium. He wrote to the Respondent on 16-03-09 showing his inability to pay Rs. 50000/ per annum, being washer man, a patient of heart disease, and having income of Rs. 5000/ per month and requested them to cancel the policy and refund the premium with interest. The Respondent refused to cancel the policy and refund the premium.

Aggrieved from the action of Respondent complainant lodged the complaint on 01-06-09 to the Hon. Ombudsman seeking direction to the Respondent to refund the premium amount with interest.

For the sake of natural justice hearing was fixed on 15-07-09 at Bhopal.

The Complainant presents himself and submitted that he is washer man, suffering from heart disease and his income is around Rs. 5000/ per month. The agent has misguided me. He assured me that amount will be doubled in three years and took my signature on blank forms and issued me policies for 20 years instead of single premium, which is beyond my capacity to pay annual premium Rs. 50000/ per annum. The annual income shown as Rs. 120000/ is totally wrong. Hence the policy may be cancelled and refund the premium with interest.

The Respondent represented by Shri Pradip Mahore, Asst. Manager, submitted the policy is issued as per the proposal form submitted by the complainant and request for cancellation is received after free look period is over hence they are unable to refund the premium as per the terms and conditions of the policy.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that policy nos.88173244 and 88171302 were issued to the complainant for annual premium of Rs.30000, & 20000/ each for 20years terms under Unit Gain plan.

It is a known fact that proposal forms are being filled in by agent on behalf of proposer and obtained signature on blank forms.

The Q. Nos. 5 of proposal form relating to premium frequency column is also misleading.

It is difficult to convince that a person having of income of Rs. 5000/ can pay Rs.50000/ Premium for 20years, leads to believe that financial underwriting concept has totally ignored at underwriting stage.

The annual income shown by agent as Rs. 120000/ is proved malafide intention of Agent.

The insurance is a contract of UTMOST GOOD FAITH; both the parties to contract are expected to reveal the facts only. Any mis representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and natural justice the Respondent is directed to cancel the policies and refund the full amount of premium Rs. 50000/ with interest @9% from the date of receipt of premium to till the date of payment , within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 17th day of JULY 2009

-----**END**-----

Misc.

Shri Rakesh Kumar Rajak.....Complainant
BAJAJ ALLIENZRespondent

Order No.BPL/LI 09-10/ 25
Case No. BA-66-22/06-09 Pune

Brief Background

Shri Rakesh kumar Rajak, resident of Bhopal, lodged complaint that he has purchased policy nos.91856337 and 91877748 under New Unit Gain plan for Rs.25000 each with the understanding only under single plan and the amount will be doubled in three years .The Agent has misguided him and obtained his signature on blank form and issued him policy under annual mode of payment for 20years instead of single premium plan, which he came to know only on receiving reminders for renewal premium. He wrote to the Respondent on 16-03-09 showing his inability to pay Rs. 50000/ per annum, being washerman , having income of Rs. 5000/ per month and requested them to cancel the policy and refund the premium with interest. The Respondent refused to cancel the policy and refund the premium.

Aggrieved from the action of Respondent complainant lodged the complaint on 03-06-09 to the Hon. Ombudsman seeking direction to the Respondent to refund the premium amount with interest.

For the sake of natural justice hearing was fixed on 15-07-09 at Bhopal.

The Complainant presents himself and submitted that he is washer man, and his income is around Rs. 5000/ per month. The agent has misguided me. He assured me that amount will be doubled in three years and took my signature on blank forms and issued me policies for 20 years instead of single premium, which is beyond my capacity to pay annual premium Rs. 50000/ per annum. The annual income shown as Rs. 120000/ is totally wrong.. Hence the policy may be cancelled and refund the premium with interest.

The Respondent represented by Shri Pradip Mahore ,Asst. Manager, submitted the policy is issued as per the proposal form submitted by the complainant and request for cancellation is received after free look period is over hence they are unable to refund the premium as per the terms and conditions of the policy.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that policy nos 91856337 and 91877748 were issued to the complainant for annual premium of Rs.25000, each for 20years terms under Unit Gain plan.

It is a known fact that proposal forms are being filled in by agent on behalf of proposer and obtained signature on blank forms.

The Q. Nos. 5 of proposal form relating to premium frequency column is also misleading.

It is difficult to convince that a person having of income of Rs. 5000/ can pay Rs.50000/ Premium for 20years, leads to believe that financial underwriting concept has totally ignored at underwriting stage.

The annual income shown by agent as Rs. 120000/ is proved malafide intention of Agent.

The insurance is a contract of UTMOST GOOD FAITH; both the parties to contract are expected to reveal the facts only. Any mis representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and natural justice the Respondent is directed to cancel the polices and refund the full amount of premium Rs. 50000/ with interest @9% from the date of receipt of premium to till the date of payment , within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 17th day of JULY. 2009

-----**END**-----

Misc.

Shri Prem Kumar Kushwah.....Complainant
BAJAJ ALLIENZRespondent

Order No.BPL/LI 09-10/ 26
Case No. BA-81-22/06-09 Pune

Brief Background

Shri Prem kumar Kushwah, resident of Bhopal, lodged complaint that he has purchased policy nos89093613 and 89095124 under New Unit Gain plan for Rs.30000/,and Rs.20000/ each with the understanding only under single plan and the amount will be doubled in three years .The Agent has misguided him and obtained his signature on blank form and issued him policy under annual mode of payment for 20years instead of single premium plan, which he came to know only on receiving reminders for renewal premium. He wrote to the Respondent on 16-03-09 showing his inability to pay Rs. 50000/ per annum, being helper , having income of Rs. 8000/ per month and requested them to cancel the policy and refund the premium with interest. The Respondent refused to cancel the policy and refund the premium.

Aggrieved from the action of Respondent complainant lodged the complaint on 09-06-09 to the Hon. Ombudsman seeking direction to the Respondent to refund the premium amount with interest.

For the sake of natural justice hearing was fixed on 15-07-09 at Bhopal.

The Complainant presents himself and submitted that he is helper, and his income is around Rs. 8000/ per month, and having family responsibilities of four children The agent has misguided me. He assured me that amount will be doubled in three years and took my signature on blank forms and issued me policies for 20 years instead of single premium, which is beyond my capacity to pay annual premium Rs. 50000/ per annum. The annual income shown as Rs. 130000/ is totally wrong.. Hence the policy may be cancelled and refund the premium with interest.

The Respondent represented by Shri Pradip Mahore ,Asst. Manager, submitted the policy is issued as per the proposal form submitted by the complainant and request for cancellation is received after free look period is over hence they are unable to refund the premium as per the terms and conditions of the policy.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that policy nos 89093613 and 89095124 were issued to the complainant for annual premium of Rs.30000/and20000/ each for 20years terms under Unit Gain plan.

It is a known fact that proposal forms are being filled in by agent on behalf of proposer and obtained signature on blank forms.

The Q. Nos. 5 of proposal form relating to premium frequency column is also misleading.

It is difficult to convince that a person having of income of Rs. 8000/ can pay Rs.50000/ Premium for 20years, leads to believe that financial underwriting concept has totally ignored at underwriting stage.

The annual income shown by agent as Rs. 130000/ is proved malafide intention of Agent.

The insurance is a contract of **UTMOST GOOD FAITH**; both the parties to contract are expected to reveal the facts only. Any mis representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and natural justice the Respondent is directed to cancel the policies and refund the full amount of premium Rs. 50000/ with interest @9% from the date of receipt of premium to till the date of payment , within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 17th day of JULY. 2009

-----**END**-----

Misc.

Shri Mukesh Yadav.....Complainant
BAJAJ ALLIENZRespondent

Order No.BPL/LI 09-10/ 27
Case No. BA-82-22/06-09 Pune

Brief Background

Shri Mukesh Yadav , resident of Bhopal, lodged complaint that he has purchased policy nos 89105560, 89109850, 89207162, and 89112005 under New Unit Gain plan each for Rs. 250000/-, with the understanding only under single plan and the amount will be doubled in three years. The Agent has misguided him and obtained his signature on blank form and issued him policies under annual mode of payment for 20 years instead of single premium plan, which he came to know only on receiving reminders for renewal premium. He wrote to the Respondent on 16-03-09 showing his inability to pay Rs. 100000/- per annum, being student, having no source of income and requested them to cancel the policy and refund the premium with interest. The Respondent refused to cancel the policy and refund the premium.

Aggrieved from the action of Respondent complainant lodged the complaint on 09-06-09 to the Hon. Ombudsman seeking direction to the Respondent to refund the premium amount with interest.

For the sake of natural justice hearing was fixed on 15-07-09 at Bhopal.

The Complainant presents himself and submitted that he is student studying in college, and has no source of income. The agent has misguided me. He assured me that amount will be doubled in three years and took my signature on blank forms and issued me policies for 20 years instead of single premium, which is beyond my capacity to pay annual premium Rs. 100000/- per annum. The annual income shown as Rs. NIL. Hence the policy may be cancelled and refund the premium with interest.

The Respondent represented by Shri Pradip Mahore, Asst. Manager, submitted the policy is issued as per the proposal form submitted by the complainant and request for cancellation is received after free look period is over hence they are unable to refund the premium as per the terms and conditions of the policy.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that policy nos 89109850, 89105560, 89207162 and 89112005 were issued to the complainant for annual premium of Rs.25000/ each for 20years terms under Unit Gain plan.

It is a known fact that proposal forms are being filled in by agent on behalf of proposer and obtained signature on blank forms.

The Q. Nos. 5 of proposal form relating to premium frequency column is also misleading.

It is difficult to convince that a person having of income of Rs. 170000/ can pay Rs100000/ premium for 20years, leads to believe that financial underwriting concept has totally ignored at underwriting stage.

The annual income shown by agent as Rs.170000/ is proved malafide intention of Agent.

The insurance is a contract of **UTMOST GOOD FAITH**; both the parties to contract are expected to reveal the facts only. Any mis representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and natural justice the Respondent is directed to cancel the polices and refund the full amount of premium Rs.100000/ with interest @9% from the date of receipt of premium to till the date of payment , within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 17th day of JULY. 2009

-----**END**-----

Misc.

Smt. Bhavna Nigam.....Complainant
S.B.I. LIFE InsuranceRespondent

Order No.BPL/LI 09-10/ 28
Case No. SBI-47-22/05-09 Mumbai

Brief Background

Smt. Bhavna Nigam Resident of Bhopal [M.P] complainant that she was insured under pol.nos.28014716104 under UNIT PLUS II PENSION plan on 02-01-2008, with the understanding single premium plan and paid Rs. 50000/ and signed on blank proposal form relying on agent. After one year she received reminders for renewal premium , then she came to know that policy is issued under annual premium instead of single premium. She lodged the complaint to the Respondent. The respondent advised her to pay premium atleast for three years to qualify for surrender value.

Aggrieved from the action of Respondent complainant lodged the complaint on dt.20-05-09 to the Hon. Ombudsman seeking direction to the Respondent to refund the premium amount with interest.

For the sake of natural justice hearing was fixed on 16-07-09 at Bhopal.

The Complainant presents her\self and submitted that she is widow dependent on her parents, and she started her boutique business with two other partners, earning approximately Rs. 5000 per month.. She went to the respondent office to deposit her parent's money Rs. 50000/ under sr. citizen fixed deposit scheme .There she was advised by Smt. Jayswal and Shri Joshi to invest the same in unit plus plan for single premium which will give you a return more than 30% per annum. Relying on their statement she signed on blank proposal form with the understanding that it is single premium policy The agent has misguided me. He assured me that there is no need to pay any further premium. However on receipt reminder for subsequent premium she came to know that policy was issued under annual plan with term of 22 years, which is beyond my capacity. My monthly income is just Rs. 5000/ per month and struggling for my livelihood, whereas the same has been shown in the proposal form as Rs. 150000/ per annum is totally wrong. The agent has misled me and respondent too. Therefore the policy should be cancelled and premium paid by me should be refunded with interest.

The Respondent represented by Shri Rahul Patnaik ,Dy.. Manager,(operation) submitted the policy is issued as per the proposal form submitted by the complainant and request for cancellation is received after free look period is over hence they are unable to refund the premium as per the terms and conditions of the policy, however after three years surrender value of fund value prevailing on that will be available..

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that policy no.28014716104 was issued to the complainant for annual premium of Rs.50000/ each for 22years terms under Unit plus pension plan..

It is a known fact that proposal forms are being filled in by agent on behalf of proposer and obtained signature on blank forms.

It is difficult to convince that a widow having income of Rs. 60000/ can pay Rs50000/ premium for 22 years, leads to believe that financial underwriting concept has totally ignored at underwriting stage.

The annual income shown by agent as Rs.150000/ is proved malafide intention of Agent.

The insurance is a contract of **UTMOST GOOD FAITH**; both the parties to contract are expected to reveal the facts only. Any mis representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and natural justice the Respondent is directed to cancel the polices and refund the full amount of premium Rs.50000/ with interest @9% from the date of receipt of premium to till the date of payment , within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 20th day of JULY. 2009

-----**END**-----

Misc.

Order No.BPL/LI 09-10/ 32

Case No. SBI-309-20/02-09/mum

Dr. Sumer Chand SinghaiComplainant
SBI LifeRespondent

Brief Background

Dr. Sumer Chand Singhai (complainant), resident of Damoh (MP) lodged the complaint that he has proposed for SBI Life Unit Plus-II policy no.25002483506 and paid Rs. 40,000/- on 23.09.2006. On receipt of the policy document he opted for cancellation under free-look period and returned the policy document to the respondent. The respondent refunded the amount of Rs.39990/- on 28.03.2009 and paid interest @ 6% for 28 months i.e. Rs.5599.00 on 29.06.2000 for delay in refund.

Aggrieved from the action of the respondent he lodged the complaint on 11.01.2009 seeking the direction to pay interest @ 18% and compensation for mental harassment for Rs. 10,000/-.

For the sake of natural justice hearing was fixed on 19-08-09 at Bhopal.

The Complainant did not present despite reminder telephonically on 3.08.2009 and on 18.08.2009.

The Respondent represented by Shri Ankur Chiber, Sr.Manager, (Operation), Bhopal submitted the company has already paid the interest and refunded the amount as per the company's rules, hence the complaint is liable to dismiss.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that the policy no. 25002483506 was issued to the complainant and cancelled during the free look period.

The respondent has also refunded the premium amount Rs.39990/- vide cheque no. 582059 dated 28.03.2009 with interest of Rs. 5599/- by cheque no. 915699 dated 29.06.2009 as per the rules & regulations of the company. It seems that respondent's action is just & fair requires no intervention.

In view of the above the complaint is dismissed without any relief.

Dated at BHOPAL, on 21st day of AUGUST 2009

-----**END**-----

Misc.

Order No.BPL/LI 09-10/ 33

Case No. HDFC-22-25/04-09/mum

Yunus MultaniComplainant
HDFC Standard Life Ins.....Respondent

Brief Background

Shri Yunus Multani (complainant), resident of Indore (MP) lodged the complaint that he has proposed for insurance policy no.10282532 and paid Rs. 10,340/- vide cheque no. 1255 dated 04.03.2005 through Union Bank of India, SSI,Branch, Indore with the understanding that he will get refund at every 4 years and the policy will be for 15 years. Subsequently, he came to know that the policy is not issued as per his requirements, hence, he did not pay the subsequent premiums and asked for refund of premium in cancellation of the above policy. He also complained that the policy is issued without his consent and the signature on proposal form does not match with his signature.

He lodged the complaint on 20.04.2009 seeking the direction to refund the premium amount.

For the sake of natural justice hearing was fixed on 20-08-09 at Bhopal.

The Complainant present himself and submitted that the policy was not issued as per his requirement, he has not paid the subsequent premiums and the first premium paid by the Bankers' from his account may be refunded to him.

The Respondent represented by Shri Joseph Thomas, Manager,(Legal),HDFC Standard Insurance co., Bhopal submitted that the policy was issued as per the proposal form signed by the complainant on 23.05.2005. The proposal form was received through the Union Bank of India,SSI, Branch Indore and the premium of Rs. 10340/- was submitted on behalf of the complainant by Union Bank of India and the signature on the proposal form is tallied with his signature on complaint letter. We have also supplied copy of the proposal form to the complainant along with the policy document and requested him to go through the same carefully and inform if any discrepancies is observed, but we have not received any complaint from him in this regard. Free look period for 15 days are being given to every policy holders for the cancellation of the policy if the policy holder is not satisfied from the terms & conditions of the policy. The policy is also in lapsed condition after payment of first premium only. He has applied for the refund of premium after 4 years from the date of the issue of the policy is not acceptable as per the terms & conditions of the company and liable to cancel the complaint.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that the policy no.10282532 and paid Rs. 10,340/- vide cheque no. 1255 dated 04.03.2005 through Union Bank of India, SSI,Branch, Indore.

It is proved that the policy holder has not paid any premium except first premium as per the policy contract. The policy is in lapsed condition since 3 years. The complainant has not applied for the refund amount within free look period. Hence, the respondent's action is just & fair requires no intervention.

In view of the above the complaint is dismissed without any relief.

Dated at BHOPAL, on 21st day of AUGUST 2009

-----**END**-----

Misc.

Order No.BPL/LI 09-10/ 35
Case No. ICICI 151-22/05-09/mum

Jogindar Singh BaggaComplainant
ICICI Prudential Life Ins.....Respondent

Brief Background

Shri Jogindar Singh Bagga (complainant), resident of Khandwa (MP) lodged the complaint that he has taken Unit linked life time policy no.01997801 from ICICI Prudential Life Insurance Company on 23.09.2005 and paid premium of Rs. 3000/- every month regularly. He has issued 36 monthly post dated cheques towards the monthly premium to the respondent. He wrote to the respondent to refund his premium with interest due to the following reasons:-

- 1) As he is not receiving fund value statement regularly.
- 2) Not providing proper service.
- 3) The fund value of the policy is also reduced.
- 4) Extra premium is charged without his consent
- 5) Irresponsible treatment by company and
- 6) Though advance cheques were issued policy shown as lapsed twice.

He complained to the company on 18.01.2009 to refund Rs. 108000.00 with interest and cancel the policy, the respondent did not refunded the amount hence he lodged complaint to Ombudsman office on 20.06.2009 seeking the direction to refund the amount with interest.

The Complaint was registered on 26.06.2009 and called for self contained note from the respondent which was received on 28.08.2009.

For the sake of natural justice hearing was fixed on 02-09-09 at Bhopal and conveyed on telephone to the complainant and respondent on 28.08.2009.

Complainant did not present himself and submitted that on the basis of the papers submitted by him proceeding may be done and the decision taken by the Hon'ble Ombudsman will be binding to him.

The Respondent represented by Smt. Kalpana Sampat, Chief Underwriting Claims & Group Operations, Mumbai submitted that the proposal form was signed by the complainant on 23.09.2005, on the basis of which the policy completed. Further, for the health extra premium the matter was conveyed to the complainant on 18.10.2005 and after receiving his consent for the health extra they have completed the proposal and produced the copy of consent signed by the complainant on 15.11.2005. Moreover, the policy is run for 3 years, during which company has covered his life risk. The policy can be cancelled during the free look period only i.e. within 15 days from the date of receipt of the policy document. The complainant has asked for the refund of premium after 3 years is not justifying and liable to dismiss. However, since 3 years has completed the complainant may apply for the surrender value of the policy. The company has also erroneously shown the policy as lapsed for twice for which they have express their apolozy and compensated him by increasing fund value for Rs.320.73/- and 287.63/- on the basis of prevailing NAV. Respondent has submitted a copy of letter dated 2.03.2009 addressed to the complainant redressing his complaint.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that the complainant is insured under the above policy. The complainant has asked for refund Rs. 108000.00 with interest and cancel the policy. The letter dated 02.03.2009 addressed to the complainant redressing his complaint is sufficient. Since the grace period is over the complainant complaint to refund the premium with interest is not entertain-able and liable to dismiss.

Hence the complaint is dismissed without any relief.

Dated at BHOPAL, on 07th day of SEPTEMBER 2009

-----**END**-----

Misc.

Order No.BPL/LI 09-10/ 36

Case No. ICICI 433-20/01-09/mum

Shailendra Kumar Modi (Advocate).....Complainant

ICICI Prudential Life Ins.....Respondent

Brief Background

Shri Shailendra Kumar Modi (complainant), resident of Bhopal (MP) lodged the complaint that he was approached by Shri Tapan Sen, Unit Manager and convincing to propose for the insurance accordingly he has proposed for the insurance of Rs. 2.55 lakhs under life time super plan and issued a cheque of Rs. 51000/- vide cheque no. 068491 drawn on Standard Chartered Bank on 25.07.2006 and also a Rs. 51000/- in cash in office premises of respondent and a receipt was issued to him on a letter head of the company. The company has refunded Rs. 51000/- by cheque dated 29.09.2006 instead of Rs. 102000/-. The complainant wrote to the respondent to refund balance amount of Rs. 51000/- paid in cash and also follow up with the Officers Shri Tapan Sen and Gunjan Srivastava at Bhopal they have consoled him to set the things rights but could not resolved the issue. Ultimately, he sends a legal notice dated 16.11.2007 to the respondent. The respondent replied vide their letter 07.12.2007 confirming that Rs.51000/- were only received by them and the same has been refunded to you. As regard the complaint against Unit Manager Shri Tapan Sen has already left the company and advice him to take legal action against him.

Aggrieved from the action of the respondent the complainant has lodged the complaint with our office seeking direction to refund the Rs. 51000/- alongwith interest and compensation for mental harassment.

For the sake of natural justice hearing was fixed on 02-09-09 at Bhopal.

The Complainant present himself and narrated the above facts and insist that since the incident has taken place in the respondent's office premises and the receipt is issued in the office only on the respondent's letter head, hence, it is the liability of the respondent to refund the amount. Moreover, I have met number of times to Tapan Sen and Gunjan Srivastava to resolve the issue, but, they have not taken proper care and defended the culprit.

The Respondent represented by Smt. Kalpana Sampat, Chief Underwriting Claims & Group Operations, Mumbai submitted that the receipt for Rs. 51000/- issued on letter head of the company is a forged receipt and the company is not issuing such type of receipts. As per the AML guideline cash of Rs. 51000/- cannot be accepted. The receipt is undated and unstamped which is not acceptable. A learned Advocate, how has accepted such a bogus receipt and did not inquired for the validity. This is a forged case and hence it is beyond the purview of the ombudsman and suggested to complainant to take the legal action against the person involved in the matter.

FINDINGS & CONCLUSIONS:-

The receipt of Rs. 51000/- issued on letter head without any date and unstamped indicates forged receipt. Since, it is forgery case, it is beyond the purview of the Ombudsman Office.

Hence, the complaint is dismissed without any relief.

Dated at BHOPAL, on 07th day of SEPTEMBER 2009

-----**END**-----

Misc.

Order No.BPL/LI 09-10/ 40

Case No. KTK-138-20/07-09/MUM

Dr. Surendra AgarwalComplainant

Kotak Life Ins.....Respondent

Brief Background

Dr. Surendra Agarwal, resident of Bhopal (MP) lodged the complaint that he has received the Policy No. 01232477 under Kotak Smart Advantage Plan for which he has never applied. The policy is issued on the basis of proposal form contains false signatures, the name of the nominee is not known to him and the occupation shown in the proposal form as construction work is also totally wrong. The signatures contains the proposal form is also varies for which he complained to the respondent immediately on receipt of the policy document on 20.05.2009 and asked them to investigate in this matter. He also informed that he has issued a cheque to Ms. Aysha Hussain for Rs.1.00 lakh for investment, but she has not informed that in which company she is investing the money, she only assured that you will get Rs.1.75 lakh after 3 years. Since, I have also taken the policy from her in past I trust with her and signed on the papers and provide her copy of passport and photographs. On receipt of the policy document only I came to know that policy is issued for 20 years term instead of single premium and wrote immediately to respondent. In reply of which the respondent informed me that policy is issued on 22.8.2008 and as per the policy condition free look period of 15 days has already been over. Policy cannot be cancelled under free look period, as the complaint is received on 20.05.2009.

Aggrieved from the action of the respondent the complainant lodged the complaint on 31.07.2009 seeking the direction for refund the premium with interest.

For the sake of natural justice hearing was fixed on 17-09-09 at Bhopal.

The Complainant present himself and submitted a notarized affidavit stating that he is a Dentist, he has received a policy no. 1232477 from Kotak Life Insurance the proposal form of which is not completed by me, nor signed by me, the details of the nominee shown as Richa Agarwal is not known to me, my profession is shown as Construction work wrong and telephone no. is also wrong. The three signature on the proposal form varies from each other is also not done by me. The agent through whom policy is canvassed i.e. Karvy Stock Broking Limited is also not known to me. Hence, the base of the contract is totally forged requires cancellation of policy ab initio.

The Respondent represented by Shri Ashish Bhardwaj, BDM, Bhopal presented that the policy is issued on the basis of the proposal form received duly signed by the complainant along with the cheque. The policy was issued on 22.08.2008 presuming that the information given in the proposal form is correct. 15 days free look period is given to the complainant to verify that policy is issued correctly satisfying his needs and if, he found any discrepancy he can get it corrected or cancel the policy. In the above case the complainant has wrote to us on 20.05.2009 i.e. after about 9 months, which does not qualify the policy to be cancelled under free look period. Hence, we are unable to cancel the policy and refund the amount.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submission made during the hearing. My observations are as under.

There is no doubt that the above policy was issued to complainant. The signature on the proposal form is not matching with the signature of the complainant done on copy of passport. Moreover, three signatures on the proposal also not matching with each other which proves that the signature of the proposal form are forged. The details of nominee, profession and mobile no. are also found incorrect. On enquiring with the proof of delivery of policy document the respondent informed that it was delivered to Mr. Javed on 26.8.2008 means that the policy holder has not received the policy document.

Insurance is a contract of utmost good faith; both the parties to the contract are expected to reveal all the truth. Any mis-representation information on either side vitiates the contract ab-initio.

In view of the above, I am of the considered opinion that the policy is issued on the basis of forged proposal form is void. Therefore, the respondent is directed to refund premium Rs. 1.00 lakh with interest @ 9% from the date of receipt of the amount till the date of payment within 15 days from the date of receipt of this order, failing to which further interest @ 9% will also be payable.

Dated at BHOPAL, on 17th day of SEPTEMBER 2009.

-----End-----

Misc.

Order No.BPL/LI 09-10/ 41

Case No. TATA-79-23/06-09/MUM

Ajit Kumar BhaskaranComplainant
TATA AIG Life Ins.Respondent

Brief Background

Shri Ajit Kumar Bhaskaran, resident of Bhopal (MP) lodged the complaint that he has availed the loan for Rs. 25000/- from Citi Financial Consumer Finance India Ltd. As per the MOU with TATA AIG he was covered under Group Insurance Pol.No.DGCL 000009 for SA Rs. 25000/- for the period from 18.12.2006 to 17.12.2009 for the cover type life and presumptive total and permanent disability. He was admitted to Manoria Heart Care Centre Pvt. Ltd for heart problem and Coronary Angioplasty done on 22.5.2008 and claimed for the compensation of Rs. 25000/- from the respondent. The same was repudiated by the respondent on the ground of not covered under the policy.

Aggrieved from the action of the respondent the complainant lodged the complaint on 20.07.2009 seeking the direction for payment of Rs. 25000/-.

For the sake of natural justice hearing was fixed on 28-09-09 at Bhopal.

The Complainant present himself and submitted that he was covered under the above policy for cover for life and presumptive total and permanent disability benefit for Rs. 25000/-. The claim preferred by him repudiated by the respondent on the ground that there is no total and permanent disability hence, the claim is not payable.

The Respondent represented by Ms. Swapna Korde, Branch Operation Manager, Bhopal presented that the policy was issued against the Loan of Rs. 25000/- granted by Citi Financial Consumer Finance India Ltd covering the risk type life and presumptive total and permanent disability, the claimant had heart attack and admitted in the hospital for about a week thereafter he totally recovered and there is no partial or total permanent disability to him hence, the benefit claimed by him is not payable. As per the policy terms and condition the benefit is payable only when there is a permanent total and partial disability for more than 12 months. In the above case the claimant was recovered within a week hence, he is not eligible for the above benefit. The claim may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to complainant covering risk type life and presumptive total and permanent disability. The claimant was admitted in the hospital on 20.04.2008 and discharged on 25.04.2008. He was operated for Angioplasty. The claimant was enquired whether had he any disability partial or permanent for which he has submitted certificate? He replied he is totally recovered after operation and he has no partial or total permanent disability. The policy condition clearly provides that benefit is payable only in case of total / partial permanent disability or loss of life.

In view of the above, I am of the considered opinion that the decision taken by the respondent is just & fair, requires no interventions.

The complaint is dismissed without any relief.

Dated at BHOPAL, on 30th day of SEPTEMBER 2009.

-----END-----

Miscellaneous – cheated by Agent

Parvati Devi Complainant
Bajaj allianz life Ins.Co.ltd.....Respondent

Order no BPL/LI/04-09/18
CASE No. BA/274-22/05-09/Pune

Brief Background

Parvati Devi, resident of Jamkunda Camp Distt. Chhindwara, M.P. complained that her husband died during his service in Colliery. The death benefit amounting Rs. 9.00 lakh was received by her was deposited in State Bank of India. Shri Munnalal Bharati and Shri Sunil Rai, agent of the Bajaj allianz contacted her and convinced to invest the amount in Bajaj Allianz, for 3 years under single premium to get double amount within 3 years. Accordingly, she invested the amount in different policies for herself and her daughter and son as detailed below :-

Name of the Insured	Policy No.	Premium Amt.
Parvati Devi -	79293984	Rs.1.00 lakh
Parvati Devi	79294706	Rs. 1.00 lakh
Saroj Bharati	79294326	Rs. 1.00 lakh
Saroj Bharati -	82114115	Rs. 75000
Jitendra Kumar	79292296	Rs. 1.00 lakh
Jitendra Kumar	79292714	Rs. 1.00 lakh
Manju Bharati	79293491	Rs. 1.00 lakh
Manju Bharati	79293678	Rs. 1.00 lakh
Manju Bharati	82199992	Rs. 50000
Manju Bharati	83377545	Rs. 25000

Total Amount Rs.		Rs. 8.5 lakh

She is an illiterate widow having a pension income of Rs. 1800/- per month. The agent has mis-guided her and issued the policies under annual premium for 10 years. After completion of one year she received intimation for subsequent premium, she came to know that premium is payable for every years for 10 years, which is beyond his capacity, as she is a illiterate widow having source of income of Rs. 1800 per month from pension only. Hence, wrote to the company on 28.12.2008 to cancel the policy and refund the amount. Company has refused to refund of full amount.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.05-01-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

For the sake of natural justice hearing was fixed on 07/07/2009 at Bhopal.

The complainant presents herself and submitted that she has no source of income except pension. The agent has misguided her by issuing a policy under annual mode instead of single premium for 10 years. She requested to refund the full amount with interest.

The respondent represented by Shri Nitendra Singh Bais, Astd. Branch Supervisor, submitted that the company has decided to cancel the policies under free-look period as a special case and refund the fund value, for which they requested to the complainant to submit the policy documents.

FINDINGS & CONCLUSIONS:-

I have gone through the materials on records and submissions made during hearing and my observations are summarized as follow.

There is no doubt that the above policies were issued to the complainant for Rs. 8.5 lakh for the term 10 years. It is a known fact that proposal form are being filled in by the agents only, only signature are being obtained by the policy holder.

The Q. No. 5, premium frequency column is also misleading. The annual income of the proposer shown is Rs. 5.00 lakh p.a., it is difficult to convince that the person having no source of income except pension of Rs. 1800/- per month can pay annual premium Rs.8.5 lakh which proves that it is a mis-presentation of facts for the personal interest.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-presentation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 8.5 lakh with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days to the receipt of this order.

Dated at BHOPAL, on 07th of July 2009.

BHUBANESWAR

(01)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0754

**Sri Subash Chandara Panda Vrs Life Insurance Corporation of India
(Jagatsinghpur BO, Cuttack DO)**

Award dated 09th April, 2009

FACT :-

One proposal submitted in the name of the complainant with LIC with initial deposit of Rs.1,00,000=00 by cross cheque. There was delay in issue of the policy. On enquiry he was informed by the agent that the proposal was cancelled as the cheque tendered by her was dishonoured. Subsequently, Rs.1,00,000=00 was deposited by cash against the dishonoured cheque. After a long gap, she wanted to surrender the policy, but, it was not allowed. Insurer has taken the stand that the initial deposit by cheque was dishonoured. There was no subsequent deposit against the proposal. So, the proposal was become stale. The subsequent deposit of Rs.1,00,000=00 was in the name of the mother of the complainant. The insurer desired to refund the amount, but, it was denied. As per complainant, the insurer had not intimated the fact of dishonoured of cheque, rather receipt was issued. There was abnormal delay in presenting the cheque. On the date of issuance of cheque there was sufficient balance in the account.

AWARD:-

The Hon'ble Ombudsman desired to know from the father of the complainant (who tendered his cheque for her daughter) whether he really wanted to continue the policy on payment of all arrear premiums as on date. But, he denied to do so. Rather, he prayed to refund of subsequent deposited amount with interest. The Hon'ble Ombudsman observed that since the cause of delay of refund of premium was refusal by the depositor, the insurer is not liable to pay interest. But, the insurer should immediately refund the amount to the mother of the complainant without waiting for the consent letter.

(02)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0734

**Sri Saroj Kumar Das Vrs Life Insurance Corporation India
(Baripada BO of Cuttack D.O.)**

Award dated 10th April, 2009

FACT :-

The complainant had taken one ULIP policy from Life Insurance Corporation of India (insurer). He desired for switchover from one fund to other one. His request letter was also received and acknowledged. But, the actual action was taken almost after one year resulting to huge financial loss to the complainant. The delay was admitted by the insurer.

AWARD:-

The Hon'ble Ombudsman directed the insurer to effect the change from the date of application and to allot the units accordingly within one month from the date of receipt of the consent letter.

(03)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0766

**Sri Ramesh Chandra Dash Vrs Life Insurance of Corporation of India
(Khurda BO, Bhubaneswar DO)**

Award dated 20th April, 2009

FACT :-

The complainant had taken one policy under Plan No-51 from LIC of India (insurer). He paid premium for 18 months @Rs.279/- per month. The total deposit for Rs.5022/-. He desired to surrender the policy. There was delay in settlement of surrender value. As per the insurer, as per the condition of the policy in case the policy is discontinued during the terms of the policy, surrender value payable on maturity will be amount equal to value of all premiums paid excluding the first year accumulated 2.5% compounding interest. Accordingly, the insurer settled the surrender value for Rs.2497/-.

AWARD:-

The Hon'ble Ombudsman observed that the terms and conditions of the policy are binding to both the parties since the policy was issued with the condition of refund of premium excluding the first year premium, the insurer had not committed any wrong in settling the amount. So, the complaint stands dismissed.

(04)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-001-0740

Sri Mangulu Behera Vrs Life Insurance Corporation of India

Award dated 15th April, 2009

FACT :-

The complainant had deposited Rs.10,000/- against two of his policies with Life Insurance Corporation of India (insurer) on 29.11.2004. The amount deposited could not be adjusted in spite of several follow-up by the complainant. The fact was that the deposit was against the premium due on 19.03.2005. Since, the amount was deposited almost four months before the due date it could not be adjusted towards the premium.

AWARD:-

The Hon'ble Ombudsman based on the documents submitted observed that it was lapse on the part of the insurer to delay the adjustment of the deposited amount towards the premium. So, during the course of hearing the insurer was directed to adjust the amount towards the premium for March, 2005 without charging any interest. Subsequently, intimation received that necessary adjustment has been made in respect of both the policies without charging any interest. In view of this, the complaint was disposed accordingly as settled.

(05)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-003-0768

Sri Gajendra Ku. Panda Vrs TATA AIG Life Insurance Co. Ltd.

Award dated 04th May, 2009

FACT :-

The complainant had taken one Health Protector Policy from TATA AIG Life Insurance Company Ltd. (Insurer). The complainant had undergone a laser treatment for photo dynamic therapy in left eye for CSCR and incurred expenditure. His claim was repudiated on the ground that it does not fall within the cover of the policy. As per insurer the condition of the policy being questioned does not qualify the treatment the complainant had taken and so they have sent the explanatory letter to the complainant.

AWARD:-

The Hon'ble Ombudsman observed that as per clause 12 of the terms and conditions of the policy the blindness that can be corrected by medical or surgical procedure is excluded. The complainant did not attend hearing under what circumstances he wrote the letter that his eye is improved and does not have any major problem. So, the Hon'ble Ombudsman opined that denial of health claim by the insurer was just and proper. Hence, the complaint stands dismissed.

(06)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-001-0771

**Sri Siba Prasad Panda Vrs Life Insurance Corporation of India
(Jajpur BO of Cuttack DO)**

Award dated 07th May, 2009

FACT :-

The complainant had taken one policy from Life Insurance Corporation of India (insurer). He desired to surrender his policy. He was paid lesser amount than the total premium paid by him. According to insurer, the policy was one Unit Linked Plan. As per the policy condition, certain charges are to be deducted when the policy is surrendered and again if it is surrendered before four year penalty needs to be imposed. Taking all these facts into consideration surrender value being decided, the insurer submitted detailed calculation sheet.

AWARD:-

The Hon'ble Ombudsman observed that the insurer had arrived at the amount payable as per the terms and conditions of the policy. So, the complaint stands dismissed.

(07)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0773

**Sri S.Bhanoji Rao Vrs Life Insurance Corporation of India
(Titilagarh BO of Sambalppur DO)**

Award dated 11th May, 2009

FACT :-

The complainant had taken one single premium annuity policy from Life Insurance Corporation of India (insurer). There was delay in settlement of monthly annuity due from March 2007. The insurer admitted the delay and the reason stated was non-creation of policy master at the time of completion. They assured for early release of annuity. It was also submitted that the life assured has to comply certain requirement for processing.

AWARD:-

The Hon'ble Ombudsman observed that the insured since was absent on the date of hearing reason for delay in complying the requirement not clear. So, the insurer was directed to settle the annuity claim within one month on receipt of the requirement and the consent letter from the complainant. The complainant was also directed to comply with the requirement within 7 days of receipt of the order.

(08)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-003-0779

Sri Anam Charan Patra Vrs TATA AIG Insurance Co. Ltd.

Award dated 26th May, 2009

FACT :-

The complainant had taken one policy from TATA AIG Life Insurance Co. Ltd. (insurer). He was regularly paying the annual premiums. While availing the surrender value, he

found that one premium due for the year 2007 not taken into consideration. According to the insurer, the premium paid on 21.04.2007 by cheque was not collected as the insured was directed his bank for stop payment. The complainant had submitted his passbook where it was revealed that the amount against the cheque was deducted from his account. There was no instruction for stop payment

AWARD:-

The Hon'ble Ombudsman observed that the complainant intimated the fact the insurer several times. But, the insurer did not investigate the fact from the banker of the complainant. Moreover, when the complainant had paid next year premium it cannot be believed that he asked for stop payment for the earlier payment. Likely, omission occurred at the level of banker of the insurer. The insurer had not produced any paper related to stop payment. So, the insurer was directed to recalculate the surrender value considering the premium as paid and pay the balance value within one month.

(09)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-001-0785

**Sri Sarat Ku. Das Vrs Life Insurance Corporation of India
(Cuttack-III BO of Cuttack DO)**

Award dated 27th May, 2009

FACT :-

The complainant had taken one policy from Life Insurance Corporation of India (insurer). The surrender value under the policy was paid less. As per insurer, the policy was surrendered after payment of 2 Survival Benefit of 10,000/- each. The surrender value was calculated as Rs.10,694/- out of which outstanding loan with interest was deducted. Balance Rs.8268/- was paid. The calculation system was properly followed. So, the question of less payment does not arise.

AWARD:-

The Hon'ble Ombudsman observed that the complainant failed to produce any material in support of his claim of less payment. Secondly, he remained absent on the date of hearing probably after knowing the correct position. So, the complaint was dismissed.

(10)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 25-014-0809

Sri Sanjeeb Ku Sahoo Vrs Sahara India Life Insurance Co. Ltd.

Award dated 18th May, 2009

FACT :-

The complainant had deposited initial amount of Rs.51,737/- on 01.02.2008 with the insurer. The policy bond was not issued to him. So, he desired for refund of the deposited amount. As per insurer, the deposit was converted to policy and the original policy bond was handed over to the complainant through his agent. The complainant on the other hand stated that he had not received the same.

AWARD:-

The Hon'ble Ombudsman observed that the root cause of the complaint is that the complainant had not received the policy bond. So, the insurer was directed to issue one duplicate policy at their cost and send the same within 15 days of receipt of the order.

(11)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0835

**Sri Nityananda Malla Vrs Life Insurance Corporation of Indian
(P&GS Unit of Bhubaneswar DO)**

Award dated 19th May, 2009

FACT :-

The complainant is a member of Group Insurance Policy of Life Insurance Corporation of India. As per add-on benefit of the scheme scholarship @Rs.100/- per month per child (Maximum two children) supposed to be paid to the eligible members of the group policy. But, the benefit was not paid to him. The same system was followed earlier but discontinued subsequently. Later on it was the higher office of the insurer who in their circular dated 29.02.2008 confirmed the same. During the course of hearing both the parties agreed that the benefit to be given up to the date of change in circular.

AWARD:-

The Hon'ble Ombudsman directed the insurer to settle the benefit for pending cases up to the date of change of circular (29.02.2008) within a month from the date of receipt of the order.

(12)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0836

**Sri Akhaya Kumar Samal Vrs Life Insurance Corporation of Indian
(P&GS Unit of Bhubaneswar DO)**

Award dated 19th May, 2009

FACT :-

The complainant is a member of Group Insurance Policy of Life Insurance Corporation of India. As per add-on benefit of the scheme scholarship @Rs.100/- per month per child (Maximum two children) supposed to be paid to the eligible members of the group policy. But, the benefit was not paid to him. The same system was followed earlier but discontinued subsequently. Later on it was the higher office of the insurer who in their circular dated 29.02.2008 confirmed the same. During the course of hearing both the parties agreed that the benefit to be given up to the date of change in circular.

AWARD:-

The Hon'ble Ombudsman directed the insurer to settle the benefit for pending cases up to the date of change of circular (29.02.2008) within a month from the date of receipt of the order.

(13)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0837

**Sri Bata Krushna Swain Vrs Life Insurance Corporation of Indian
(P&GS Unit of Bhubaneswar DO)**

Award dated 19th May, 2009

FACT :-

The complainant is a member of Group Insurance Policy of Life Insurance Corporation of India. As per add-on benefit of the scheme scholarship @Rs.100/- per month per child (Maximum two children) supposed to be paid to the eligible members of the group policy. But, the benefit was not paid to him. The same system was followed earlier but discontinued subsequently. Later on it was the higher office of the insurer who in their circular dated 29.02.2008 confirmed the same. During the course of hearing both the parties agreed that the benefit to be given up to the date of change in circular.

AWARD:-

The Hon'ble Ombudsman directed the insurer to settle the benefit for pending cases up to the date of change of circular (29.02.2008) within a month from the date of receipt of the order.

(14)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0838

**Sri Sanjay Kumar Baral Vrs Life Insurance Corporation of Indian
(P&GS Unit of Bhubaneswar DO)**

Award dated 19th May, 2009

FACT :-

The complainant is a member of Group Insurance Policy of Life Insurance Corporation of India. As per add-on benefit of the scheme scholarship @Rs.100/- per month per child (Maximum two children) supposed to be paid to the eligible members of the group policy. But, the benefit was not paid to him. The same system was followed earlier but discontinued subsequently. Later on it was the higher office of the insurer who in their circular dated 29.02.2008 confirmed the same. During the course of hearing both the parties agreed that the benefit to be given up to the date of change in circular.

AWARD:-

The Hon'ble Ombudsman directed the insurer to settle the benefit for pending cases up to the date of change of circular (29.02.2008) within a month from the date of receipt of the order.

(15)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0839

**Smt. Malati Tarai Vrs Life Insurance Corporation of Indian
(P&GS Unit of Bhubaneswar DO)**

Award dated 19th May, 2009

FACT :-

The complainant is a member of Group Insurance Policy of Life Insurance Corporation of India. As per add-on benefit of the scheme scholarship @Rs.100/- per month per child (Maximum two children) supposed to be paid to the eligible members of the group policy. But, the benefit was not paid to him. The same system was followed earlier but discontinued subsequently. Later on it was the higher office of the insurer who in their circular dated 29.02.2008 confirmed the same. During the course of hearing both the parties agreed that the benefit to be given up to the date of change in circular.

AWARD:-

The Hon'ble Ombudsman directed the insurer to settle the benefit for pending cases up to the date of change of circular (29.02.2008) within a month from the date of receipt of the order.

(16)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0840

**Sri Nrushingha Ch. Sahoo Vrs Life Insurance Corporation of Indian
(P&GS Unit of Bhubaneswar DO)**

Award dated 19th May, 2009

FACT :-

The complainant is a member of Group Insurance Policy of Life Insurance Corporation of India. As per add-on benefit of the scheme scholarship @Rs.100/- per month per child (Maximum two children) supposed to be paid to the eligible members of the group policy. But, the benefit was not paid to him. The same system was followed earlier but discontinued subsequently. Later on it was the higher office of the insurer who in their circular dated 29.02.2008 confirmed the same. During the course of hearing both the parties agreed that the benefit to be given up to the date of change in circular.

AWARD:-

The Hon'ble Ombudsman directed the insurer to settle the benefit for pending cases up to the date of change of circular (29.02.2008) within a month from the date of receipt of the order.

(17)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-001-0814

**Sri Dillip Kumar Naik Vrs LIC of India
(Bhadrak B.O of Cuttack D.O)**

Award dated 17th June, 2009

FACT :-

The complainant has paid his premium for the policy bearing No-581974885 taken from L.I.C of India (here in after be referred to insurer). But those payments have not been regularly accounted for and receipts have not been issued to him to get benefit for Income Tax. So he has pressed to direct the insurer to regularize his policy and to pay Rs.50,000.00 as compensation. The insurer has submitted that two premiums have not been paid and the same was informed to the complainant on 06.05.2009 that on payment of the same the policy can be regularized and as regards to the compensation, the insurer was taken stand that there was no deficiency of service.

AWARD:-

The Hon'ble Ombudsman ordered that 3 premiums received earlier by the insurer but not adjusted should be regularized without charging any interest/ penalty. As regard other two premiums the insured is directed to pay to the insurer, considering the nature of the case and the sentiment of the complainant two premiums be accepted by the insurer without any interest or penalty also. Secondly, as regards to compensation the honourable ombudsman observed that there is no deficiency in service so the question of payment of compensation does not arise.

(18)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-013-0824

Sri Vikram Choudhury Vrs Aviva Life Insurance Company Ltd.

Award dated 19th June, 2009

FACT :-

The complainant has alleged that he had applied for Children Plan in Aviva Life Insurance Company Ltd. But it was made "Pension plus" He made verbal and written request to the officers of the insurer to cancel the policy and to refund the amount paid towards the premium. But he has not been favoured with any reply. During course of hearing the complainant was very much anxious for cancellation of the policy. The insurer also did not like to wound the sentiment of the complainant and assured that if application is made the policy can be cancelled and premium amount be refunded. The complainant made an application on the date of hearing, which has been received by the insurer.

The Hon'ble Ombudsman directed to cancel the policy and to refund the amount paid towards premium.

(19)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-001-0825

Sri Nitya Nanda Malla Vrs ICICI Prudential Life Insurance Co. Ltd

Award dated 19th June, 2009

FACT :

The complainant had taken an Insurance Policy (Hospital Care) from ICICI Prudential Insurance Company Ltd. His right eye cataracts operated on 27.08.2008. The complainant applied to the insurer cash less treatment, which was denied on the ground that diabetes mellitus, is pre-existing. The insurer pleaded that the complainant was suffering from diabetes mellitus since 25 years and that this fact was not disclosed when proposal for insurance was made. On the other hand it is submitted on behalf of the complainant that the diabetes mellitus has got no nexus with the operation made.

AWARD :-

The Hon'ble Ombudsman observed that without personal disclosure one reputed doctor cannot write the history of suffering of the complainant. No doubt the diabetes mellitus does not have nexus with the disease for which hospitalization was made and the doctor has also confirmed it. The Hon'ble Ombudsman made the reference to the case of Mithoolal Nayak Vrs L.I.C of India (Reported in AIR 1962 SC 814) that it is very difficult for the insurer to prove it by direct evidence.

He further observed that it is well settled that a contract of insurance is one of utmost good faith and completely honesty and truth is required at the time of concluding the contract. The proposer who is one of the parties to the insurance contract has means of knowledge, which are not accessible to the insurer. Therefore it is the duty of the proposer to inform the insurer of everything likely to affect the judgment of the insurer, however unimportant it may seem to him. Hence the proposer should ensure that all questions in the proposal form are correctly answered. Any misrepresentation, non disclosure and fraud leading to acceptance of the risk while render the insurance contract null and void.

In this case it is sufficient to say that the complainant had suppressed the material facts at the time of proposal. And the insurer has taken right decision in refusing to settle the claim and canceling the policy. There is no compelling reason to say that the action of the insurer is arbitrary or unjust. Hence, the complainant stands dismissed.

(20)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-001-0833

**Sri Prasanta Kumar Mishra Vrs L.I.C of India
(Khurda B.O of BBSR D.O)**

Award dated 22nd June, 2009

FACT :

The complainant had taken an annuity policy from LIC of India. He desired to surrender the policy on 11-06-2008 and submitted the requirements. But he was not paid the surrender value.

The insurer submitted that they had paid surrender value on 30.01.2009 for Rs.8454/- after payment of one annuity due for Rs.619/- as on 01.12.2008. The surrender cheque returned undelivered and was again re-sent on 06.05.2009.

On instruction, the insurer reported that the surrender value under the policy as on 26.06.2008 (15 days after the surrender request letter) comes to Rs.8454/-.

AWARD :-

The honourable Ombudsman observed that there was delay on the part of the insurer to settle the surrender value.

The insurer was directed to calculate interest at prevailing rate on Rs 8454=00 from 26-06-2008 to 30-01-2009 because the cheque was sent on that date but returned back due to refusal of acceptance by the insured. The insurer should pay the balance amount of (Rs 8454=00+interest accrued) – (Rs 8195=00+Rs619=00 if paid) The balance amount to be paid within one month from the date of receipt of consent letter.

(21)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-001-0821

**Sri Hulas Barik Vrs L.I.C of India
(BBSR BO-III B.O of BBSR D.O)**

Award dated 13th June, 2009

FACT :

The complainant had taken insurance policy and he deposited the first installment premium amount for Rs.6,931.00 . On receipt of policy bond he found the terms and conditions were different. So, on the same day he applied to cancel the policy and to refund the amount paid. The amount was not refunded. The insurer had submitted that the policy was received by the complainant on 07.08.2008 and request was made on 27.08.2008 i.e. after 15 days. So as per rules the policy cannot be cancelled.

AWARD :-

The Hon'ble Ombudsman observed that it is the case of insurer that the complainant had received the policy from the office on 07.08.2008. In support of this a sheet of paper is filed where some policies number are mentioned. In one place the signature the complainant appears. At the right the date "07.08.2008" has been mentioned. In respect of others entire the columns are left Blank. This is not sufficient to establish that on 07.08.2008 the policy bond was handed over to the complainant.

As per my above findings, the complainant was allowed. The insurer is directed to cancel the policy issued to the complainant and to refund the premium amount paid.

(22)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-005-0781

Smt. Sanjita Das

Vrs

HDFC Standard Life Ins. Co. Ltd.

Award dated 02nd June, 2009

FACT :

The complainant desired to cancel her policy during the free look period. Instead of refunding Rs.50,000/- the company refunded only Rs.47,506.77. The insurer took the stand that as per terms and condition of the policy deduction was made towards service charges, tax and other charges. The same fact was clarified to the complainant in their letter. The complainant on the other hand submitted that she submitted the application and the policy for cancellation on 25th February, 2008. But, the NAV was calculated on 05.03.2008.

AWARD :-

The hon'ble ombudsman observed that the complainant received the policy document on 15.02.2008 and requested for cancellation received on 25.02.2008. There is no good reason for the company to take the NAV value as on 05.03.2008. So, the insurer is directed to calculate the NAV as on 25.02.2008 and refund the balance amount to the company.

(23)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0789

Sri Umakanta Mohanta Vrs *L.I.C of India*
(Barbil BO of Cuttack DO)

Award dated 01st June, 2009

FACT :

The complainant desired to surrender his policy for his illness and applied to LICI (insurer) accordingly. There was delay in settlement of the surrender value. The complainant was absent on the date of hearing. The insurer had submitted that the complainant is not submitting the D.V. and Policy Bond in spite of several letters. Hence, there is delay in payment.

AWARD :-

The hon'ble ombudsman observed that since the complainant was absent it could not be ascertained the reason of non-submission of D.V. and Policy Bond. However, since insurer agreed for settlement of the surrender value, the complainant was directed to send the original policy bond and D.V. within 07 days of the order and the insurer was directed to settle the surrender value within one month thereafter.

(24)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0792

Sri Brundaban Dora Vrs *L.I.C of India*
(Nayagarh BO of BBSR DO)

Award dated 08th June, 2009

FACT :

The complainant had taken one Pension Plan policy where pension amount was shown Rs.1655/- per month. Before the policy vested for payment he was asked to exercise fresh option. He opted for pension "Type -E". Actual pension paid to him was Rs.1041/- per month. The insurer submitted that at the inception the pension amount quoted in the Policy Bond was for option "Type-D". But, since the complainant opted "Type-E" at the time of vesting the monthly pension revised.

AWARD :-

The hon'ble ombudsman observed that the pension amount depends on the last option exercised by the policyholder but not what is being quoted in the Policy Bond. But, as per the sheet provided by the insurer for option "Type-E", monthly pension amount comes to Rs.1063/-. But, the insurer is paying @1041/-. So, the insurer was directed to pay pension @1063/- per month and pay the differential arrear amount within one month from the date of order.

(25)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-001-0805

***Sri Suresh Ku. Kalia Vrs L.I.C of India
(Sambalpur BO-I of Sambalpur DO)***

Award dated 04th June, 2009

FACT :

The complainant had taken one policy from LIC (insurer) for 5 years term for S.A Rs.1,00,000/-. During first three years he deposited total Rs.51,160/- and discontinued thereafter. After maturity the insurer paid him only Rs.36,461/-. The amount refunded was less than the amount deposited by the complainant. The reply of the insurer was not satisfactory to him. The insurer submitted that they have paid the amount as per the policy condition and the matter was duly explained to the complainant. The complainant had submitted that the policy was only for availing tax benefit, there was no risk and it is "RD type" of scheme.

AWARD:-

The Honourable ombudsman observed that the policy was under Table-51 of LIC plan. As per policy condition if the policy is in lapsed condition at the time of maturity, the maturity value will be equal to the premium paid excluding the first year accumulated with interest @2.5%. The complainant had taken the policy with that terms and condition. Now, he cannot deny it. So, the complaint stands dismissed.

(26)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-011-0799

Sri Benupani Bishoyi Vs. ING – Vysya Life Ins.Co.Ltd.

Award dated 03rd June, 2009

FACT :

The complainant had taken one policy from ING Vysya Life Insurance Co. Ltd. (insurer). One yearly premium for Rs.50,000/- paid. After receiving the policy bond, the complainant came to know that the policy period is 5 years and he has to pay for 5 years. But, at the time of proposal he was told that it was single premium policy. Also the date of Birth also differs. So, he desired to cancel the policy and request for refund of the amount. The insurer refused to return the amount on the plea that the complainant was fully aware about the terms and conditions of the policy before he signed the proposal form. The insurer also pointed out that the policy could be cancelled I the request could have been made within 15 days of the receipt of the policy.

AWARD :-

The Honourable ombudsman observed that the submission of the complainant regarding his age proof is correct and the insurer comment on D/L not correct. It is also difficult for a retired person to pay Rs.50,000/- per annum,i.e.@Rs.4000/- per month. He also observed that in a nature of this type of case, when a person is not willing to continue the policy he should not be compelled. So, the Honourable ombudsman directed the insurer to refund the premium amount after deducting the processing fees if any, within one month from the date of receipt of consent letter from the complainant.

(27)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0806

***Sri Sudhansu Sekhar Mishra Vrs L.I.C of India
(Rayagada BO-I of Berhampur DO)***

Award dated 10th June, 2009

FACT :

The complainant had taken one policy from LIC (insurer). One yearly premium for Rs.44,448/- only paid. Subsequent dues could not be paid because of financial condition. He desired to surrender the policy and request for refund of the amount. The insurer refused to return the amount on the plea that the policy has not acquired paid-up value.

AWARD :-

The Honourable ombudsman observed that as per the policy condition premiums should have been paid for three years for acquiring paid-up value. In this case only one year premium is being paid. So, the insurer is right in their decision. There is no compelling ground to interfere with. So, the complaint stands dismissed.

(28)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0817

*Sri Gajendra Nath Sahoo Vrs. L.I.C. of India
(Nuapara BO of Berhampur DO)*

Award dated 18th June, 2009

FACT:-

The complainant had taken Jeevan Suraksha –I policy from Life Insurance Corporation of India (insurer) and made several correspondence for surrender of that policy. Also at the time of hearing he reiterated for surrender of his policy due to some personal reason and he received only one pension cheque. The insurer submitted that two pension cheques were issued and those were received back undelivered. However, arrangements are being made for dispatch of fresh cheque.

AWARD:-

The hon'ble ombudsman directed the complainant to submit application with certificate as required by LIC for surrender of the policy to Mgr (CRM) (if not done till date) and also directed the insurer to pay surrender value as per rules within 15 days from the date of receipt of the application.

(29)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-009-0843

Smt.Jyostna Kumari Nayak Vrs. Bajaj Alianz Life Ins. Co.Ltd

Award dated 29th June, 2009

FACT :

The complainant was the assignee for one Unit Gain Plus S.P. policy from Bajaj Allianz Life Insurance Co. Ltd.(insurer). She invested Rs.11 lakhs with condition 80% investment on death Fund and 20% investment on Cash Fund. But, later on it was known to her that the entire fund was parked in equity plus fund. When she complaint, the insurer reversed the matter and compensated the loss by adding suitable units in respective funds, but, as per the complainant , the compensation calculation made by the insurer was wrong.

AWARD:-

The hon'ble ombudsman called for detailed calculation because of reversal entry from the insurer and the complainant was also asked to submit her calculation. Both the calculation sheets was thoroughly examined by the Hon'ble Ombudsman and finally opined that the insurer had correctly done the calculation because of reversal entry. So, the hon'ble Ombudsman dismissed the complaint.

(30)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-008-0849

Sri Surendra Samal Vrs Kotak Mahindra Old Mutual Life Ins. Limited

Award dated 29th July, 2009

FACT:-

The complainant had taken one policy from Kotak Mahindra Old Mutual Life Ins. Limited (insurer) in the month of July, 2008. He has not received the original policy bond. On his request, duplicate policy was issued subsequently. After receipt of the duplicate policy he applied for cancellation, but, his request was not accepted by the insurer. According to insurer, the duplicate policy was received on 06.11.2008. They had not received any request letter thereafter for cancellation of the policy.

AWARD:-

The Hon'ble Ombudsman observed that there are contradictions in the complaint letter filed by the complainant. He had not submitted any documents to establish that request letter for cancellation was sent. Secondly, the complainant in his complaint letter stated that cancellation letter was registered on 08.11.2008, but, the postal receipt reveals that some letter was sent on 11.11.2008. Thirdly, the complainant belongs to Keonjhar, but, letter was dispatched from Bhubaneswar. Fourthly, copy of the cancellation letter does not bear any date. All the above circumstances suggest that complainant had not come with clean hands. The complainant was absent on the date of hearing. So, anomalies could not be clarified. Moreover, the insurer submitted that they had not received any request for cancellation of policy. So, the Hon'ble Ombudsman dismissed the complaint.

(31)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-003-0853

Sri Jagabandhu Sahoo Vrs Tata AIG Life Insurance Co. Ltd.,

Award dated 29th July, 2009

FACT:-

The complainant had taken one Health Protector Policy from TATA AIG Life Ins. Limited (insurer). He had undergone some critical surgery on 30.04.2008. The Health Claim was rejected on the ground of suppression of material facts. The company also declared the contract as null and void. As per insurer, the complainant had urological problem prior to proposal date but was not disclosed. The hospitalization for which the claim was lodged was for the same disease. In the Hospital Discharge summary, the history of past treatment was noted which reveals that the complainant had problems in passing urine from 2004.

AWARD:-

The Hon'ble Ombudsman observed that omission to disclose the past treatment amounts to suppression of material facts. Secondly, the present treatment and the past treatment were for the similar sufferings. So, denial of claim and cancellation of contract is justified. There is no compelling ground to interfere with the decision taken by the insurer. Hence, the complaint stands dismissed.

(32)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-001-0856

**Sri Akshya Kumar Mohanty Vrs Life Insurance Corporation of India
(Bhubaneswar-III BO of BBSR DO)**

Award dated 30th July, 2009

FACT:-

The complainant had taken one Policy from Life Insurance Corporation of India (insurer) with payment mode as quarterly @Rs.9569/-. He had paid premium due up to July, 2008. When he approached the insurer for deposit of the next due, i.e.; October 2008, he was told to deposit July, 2008 premium once again. The reason stated that there was one unpaid due for October, 2003 for which subsequent premium he had deposited was taken back. Insurer admitted that they had issued receipt showing the premium paid up to 10/2008, but, through their internal auditing system it was detected that there was one gap due for 10/2003. If the complainant can produce the receipt showing the payment for that due they were ready to regularize the case. On the other hand, the complainant submitted that if 10/2003 is not paid how the insurer took the subsequent dues up to 10/2008.

AWARD:-

The Hon'ble Ombudsman directed the insured to produce the receipt for 10/2003 and the insurer was asked to explain as to how the gap premium was detected after a long period. The complainant was not able to produce the receipt. The insurer produced the document showing that on 23.04.2004 the insured deposited 10.2003 and 01/2004 dues at a time but requested for cancel at the day end. The cancelled original receipt was also produced. For technical reason, computer was wrongly shown premium receipt for 10/2003. Subsequently, in the next day when the complainant deposited two dues computer automatically adjusted those for 01/2004 and 04/2004. The Hon'ble ombudsman observed that when insurer subsequently produces the documentary evidence in support of their stand with producing original cancel receipt but the complainant failed to produce any evidence in support of his stand, it can be concluded that the omission was accidental but not intentional. So, the complaint stands dismissed.

(33)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-009-0861

Sri Ghanashyama Mishra Vrs Bajaj Allianz Life Ins. Co.Ltd.

Award dated 30th July, 2009

FACT:-

The complainant had taken one policy from Bajaj Allianz Life Ins. Co. Ltd.(insurer) with commencement date as 27.03.2006 and annual premium @Rs.15,000/-. The third year's premium was deposited on 24.03.2008. He was told to get the surrender value for Rs.32,385/- for which he submitted the required documents. But, he got a cheque for Rs.17,800/- as surrender value on 24.12.2008. According to insurer, the cheque deposited towards third installment premium was dishonoured subsequently for which there was less payment of surrender value. The complainant submitted that the cheque amount was realized from his account. So, the complainant was directed to produce the pass book of relevant date of his account. The case was re-heard in presence of both the parties once again.

AWARD:-

The Hon'ble Ombudsman observed that the complainant could not satisfy about debit of the amount from his account. The complainant argument that the insurer had not given any cheque dishonour advice to him is not acceptable as he, being an employee of the bank should have taken care at his level to investigate why the cheque amount is not realized from his account. Ordinarily, unless, if three years premiums are not paid, the policy will not acquire any paid-up value. In this case only two years premiums deposited. So, as per rule, nothing is payable, but, since the insurer quoted the surrender value considering the payment of 03 years premiums. But, at the time of payment it was found to be two years. They have as a good gesture paid the surrender value deducting the third year premium. So, the action cannot be told as unreasonable. So, the complaint stands dismissed.

(34)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0900

Sri Harihar Das

**Vrs Life Insurance Corporation of India
(Keonjhar BO of Cuttack DO)**

Award dated 27th July, 2009

FACT:-

The complainant had taken one pension plan policy from L.I.C. of India (insurer) where pension was due from February, 2007. There was delay in settlement of pension in spite of several correspondence made by the complainant. The insurer admitted the delay and assure for settlement within a short period.

AWARD:-

The Hon'ble Ombudsman observed that the insurer admitting the delay at their end and assuring for early payment. So, the insurer is directed to pay interest at the admissible rate for the delay period along with the payment of arrear pension dues.

(35)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-002-0865

Sri Srimukh Ch. Barik Vrs. SBI Life Insurance Co. Ltd

Award dated 04th August, 2009

FACT:-

The complainant had taken one policy from SBI Life Insurance Co. Ltd. (insurer). The complainant was hospitalized thereafter for chronic renal failure, ESRD, hyper-tension and diabetes nephropathy. After recovery he lodged the claim incurred for treatment. The claim was repudiated on the ground of suppression of material facts regarding health and also the insurer cancelled the policy. Hence the complainant approached this forum. According to the insurer, the complainant had history of diabetes mellitus for 18 years and hyper-tension for 4 years. These facts were not disclosed at the time of submission of proposal.

AWARD:-

The complainant was treated at Appolo Hospital. The Hon'ble Ombudsman observed that Apollo Hospital being a reputed hospital, the discharge summary of the hospital cannot be questioned. The past history narrated in the discharge summary to be taken as authentic. So, non-disclosure of material facts in the proposal is the valid ground for repudiation of claim and declaring the contract as null and void. Hence, the complaint stands dismissed.

(36)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0867

Sri Tarun Kumar Sarkar Vrs. Life Insurance Corporation of India

Award dated 10th August, 2009

FACT:-

The complainant had taken one Health Plus Plan from Life Insurance Corporation of India (insurer). Initial amount of Rs.10, 000/- was deposited on 31.03.2008. But, the policy bond was issued with date of risk as 29.12.2008. The complainant wanted the risk date to be 31.03.2008, but, there was no response from the insurer. According to the insurer, though the initial amount was deposited on 31.03.2008, but, the proposal was received on 12.10.2008 and subsequently the medical report received on 22.12.2008. So, after completion of underwriting and other formalities risk date effected from 29.12.2008.

AWARD:-

The Hon'ble Ombudsman observed that mere deposit of initial amount does not amount to acceptance of risk. The fact has been reflected on the body of the receipt issued by the insurer. Since, the proposal submitted by the complainant was signed on 15.10.2008 the risk date cannot be taken before to that date. Further, the medical report also received on 22.12.2008. The insurer had taken reasonable time thereafter to decide the case. So, risk date being taken as 29.12.2008. Hence, the complaint stands dismissed.

(37)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-003-0872

Smt. Manoram Panda Vrs. TATA AIG Life Ins. Co.Ltd.

Award dated 12th August, 2009

FACT:-

The complainant had taken one Health Protector Policy from TATA AIG Life Ins. Co. Ltd. (insurer). He was treated in one hospital for kidney problem and lodged the claim. The insurer rejected the claim on the plea of pre-existing illness and her profession. According to insurer, the complainant was suffering from dyslipidemia and diabetes mellitus type-II prior to the proposal for insurance. Secondly, in the proposal she mentioned her occupation as business and snacks parlour. But, in the claim form it was stated as housewife. So, they have denied the claim and cancelled the contract.

AWARD:-

The Hon'ble Ombudsman observed that there was no dispute on treatment by the complainant for kidney problems before the proposal. But, the complainant has submitted that the proposal was completed by the agent. While the proposal form is filled up by a person (may be the agent of the insurance company), he asked as the agent of the proposer but not as the agent of the insurer. Secondly, he observed that the husband of the complaint who represented the complainant appears to be very highly qualified person as per his letter pad. So, ordinarily it cannot be believed that the proposal was completed without their knowledge nor they had seen the policy condition on receipt of the policy bond. So, the complaint stands dismissed.

(38)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0877

**Sri Sadananda Sabat Vrs. Life Insurance Corporation of India
(CAB BO of BBSR D.O.)**

Award dated 19th August, 2009

FACT:-

The complainant had taken one pension policy from Life Insurance Corporation of India (insurer). One pension cheque for Rs.1250/- for the month of June, 2008 could not be encashed as he was out of the country for three months. On return, he returned the unencashed cheque to LIC on 11.10.2008 for issue of fresh cheque, but, there was no response. According to insurer, the fresh cheque was issued by their Zonal Office on 06.04.2009.

AWARD:-

The Hon'ble Ombudsman observed that the complainant had made reminders after 11.10.2008, but, the insurer delayed the issuance of the cheque almost for six months. There was no intermediary correspondence from the insurer. This amounts to deficiency in service. The complainant is liable to get interest for delay. So, the insurer was directed to pay interest for delay at the prevailing rate from 15.10.2008 to 06.04.2009 on Rs.1250/-.

39)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-009-0875

Sri Benudhar Behera Vrs. Bajaj Allianz Life Ins. Co.Ltd.

Award dated 17th August, 2009

FACT:-

The complainant had taken Four CUG policies from Bajaj Allianz Life Ins. Co. Ltd. (insurer) under the impression those were single premium policies. Subsequently, it was known to him those were regular policies. So, he applied for cancellation of policies and refund of premium. But, there was no action from the insurer end. Further, he was a student but in the proposal it was mentioned as contractor. The premium deposited was from his father's retirement benefit. According to insurer, the complainant had not approached them during the free look period for cancellation. Secondly, in the proposal signed by the complainant, it is mentioned that he is a contractor. The complainant in support of his statement submitted one certificate from one computer institute which reveals that during the period of proposal he was one trainee in that computer institute.

AWARD:-

The Hon'ble Ombudsman observed that for four policies annual premium comes to Rs.1, 65,000/-. The complainant was aged 21. As per proposal, his annual income is Rs.1, 00,000/-. So, how can he pay annual premiums for Rs.1, 65,000/-. The insurer should have investigated before accepting the proposals with heavy premium amount on paying capacity of the proposer. So, the complainant has been misled or he could not understand about the consequences. So, the hon'ble Ombudsman directed the insurer to refund the premium amount after deducting the risk amount for the period from the date of proposal to the date of application for cancellation of policies within one month.

(40)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-001-0888

**Ch. N.C. Das Vrs. Life Insurance Corporation of India
(Berhampur BO: I, Berhampur DO)**

Award dated 26th August, 2009

FACT:-

The complainant had taken one Jeevan Plus policy with annual premium of Rs.20, 000/- per annum from Life Insurance Corporation of India (insurer).He had paid premium for three years. When he intended to pay his fourth year premium it was not accepted by the insurer on

The plea that the policy was foreclosed with effect from May, 2008. According to insurer, the policy was automatically foreclosed in the month of June, 2008 as per the policy condition as the fund value for the balance unit held after recovery of units towards risk charges as on 31.05.2008 was reduced to one annualized premium. The value of the unit calculated as on 30.05.2008 was reduced to Rs.20.297/-. The excess amount to the premium was Rs.297/-, which was not sufficient to meet the risk premium for June, 2008. On the other hand the complainant questioned on the action of the insurer on foreclosure without prior notice. Secondly, the premium was fixed by LIC and he was regularly paying the same.

AWARD:-

The Hon'ble Ombudsman observed that the complainant is highly educated person and working as Dy. General Manager of I.O.B. He had taken risk amount for Rs.10, 00,000/-. He might have thought thousand time before accepting the terms and conditions. Secondly, the court or tribunal will go by the language or words of the contracts, but not any other foreign materials. As per SL. No:7 and 20 of the conditions and privileges of the policy "when less than 3 years premiums have been paid, the policy holder unit account falls below the monthly charges, the policy shall be terminated and balance amount in policyholder unit account, if any, shall be refunded to the life assured. So, the action of the insurer cannot be termed as illegal. So, the complaint stands dismissed.

(41)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-001-0882

Smt. Annapurna Puhan Vrs. Life Insurance Corporation of India

Award dated 18th August, 2009

FACT:-

The complainant had taken one BIMA GOLD policy from Life Insurance Corporation of India (insurer). She fell down from the roof of the building and become disable by non-functioning of two of her legs. For claim of Disability Benefit was denied by the insurer. According to the insurer, as per the policy condition disability benefit is payable if disability is total and permanent. As per the document received disability was 85% only and so not payable. On the other hand, it was submitted on behalf of the complainant disability of 85% may be total and permanent.

AWARD:-

The Hon'ble Ombudsman observed that as per the disability certificate issued by the Medical Board, it is mentioned that the disability is 85%, permanent and no chance of recovery. When there is no chance of recovery, it should amount to total. So, complainant is entitled for disability benefit. So, the Hon'ble Ombudsman ordered that the insurer to settle the disability benefit as per rule within one month from the date of order.

(42)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-001-0884

**Ch.Pravat Kishore Mishra Vrs. Life Insurance Corporation of India
(Cuttack BO:II, Cuttack DO)**

Award dated 19th August, 2009

FACT:-

The complainant had taken one policy from Life Insurance Corporation of India (insurer) for Rs.9, 25,000/-. For acceptance of his proposal all special Medical Reports were sent to their Zonal Office where it was accepted with extra @Rs.4.90/- per thousand. The complainant deposited the balance premium thereafter and the policy was issued subsequently in the year 2002. Subsequently, he requested the insurer to revise the premium without charging the extra and refund the excess premium collected. Since, there was no response from the insurer he approached this forum. According to the insurer, the proposer was given a counter offer on evaluation of the Medical Reports, Age and Sum Assured to pay extra @Rs.4=90/- per thousand which the complainant had accepted as per his letter dated 28.03.2002 and deposited the balance for Rs.26405/-. So, there is no question of revision of premium and refund of extra. The complainant on the other hand submitted that he accepted the counter offer pending clarifications.

AWARD:-

The Hon'ble Ombudsman observed that the complainant in his letter dated 28.03.2002 though desired to know the formalities in charging extra in his case, but, finally accepted the decision and deposited the balance amount. He had not made any protest while accepting the counter offer. When counter offer is accepted by the complainant, and, on that basis contact was made, no party cannot go back. When the counter offer was given, the complainant could have refused to accept, but, he had not done so. The only omission of the insurer that the procedure for charging extra was not intimated. But, on the other hand, the complainant could have wanted a reply before accepting the counter offer. So, subsequent demand for refund of excess premium paid is not at all permissible. Hence, the complaint stands dismissed.

(43)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-013-0887

Sri Suresh Ch. Patnaik Vrs. Aviva Life Insurance Co. Ltd

Award dated 27th August, 2009

FACT:-

The complainant had taken one policy from Aviva Life Insurance Co. Ltd. (insurer) with the impression that after paying one time premium, the amount will be doubled after 36 months. Accordingly, he deposited Rs.1, 00,000/-. After he received the bond, it was found that it was not single premium policy. He handed over the papers to the concerned selling personnel for correction, but, no action was taken by the insurer. Hence, he approached this forum. According to insurer, the allegation of misleading is not correct. They had not received any request letter for correction nor cancellation within the cooling period. Since, the policy was issued as per the proposal they decline to cancel the policy after cooling off period.

AWARD:-

The Hon'ble Ombudsman observed that the allegation of the complainant for being misled by the sales personnel of the company is not acceptable because the proposal was signed by him with regular payment basis. The request for cancellation was also not made within the cooling off period. So, the complaint as such is not acceptable. But, since the complainant is one aged man and his intention was for one time deposit of the premium, the insurer was advised to convert the policy to one suitable single premium policy of same sum assured from the date of proposal within one month.

(44)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-008-0905

Sri Prabhat Ranjan Chowdhury Vrs. Kotak Mahindra Old Mutual Life Insurance Company Ltd.

Award dated 11th September, 2009

FACT:-

The complainant had taken one policy from Kotak Mahindra Old Mutual Life Insurance Co. Ltd. (insurer). On receipt of the policy he felt the conditions not acceptable to him. So, during free look period he wanted to cancel the policy and submitted the requirement. Hence the complainant approached this forum. According to the insurer, the complainant desired to cancel the policy due to his financial problem which according to them cannot be considered for cancellation of the policy.

AWARD:-

The Hon'ble Ombudsman observed that as per the covering letter of the company, the policy holder can opt for cancellation of policy within 15 days if any provision stated in the policy is not acceptable to him. Mode of Premium and amount of premium are the provisions of the policy. The reason of cancellation due to financial condition can also be considered as per the provision of the policy. So, the complaint was allowed. The insurer was directed to cancel the policy and refund the amount as per rules.

(45)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-001-0901

**Sri Upendra Moharana Vrs. Life Insurance Corporation of India
(BBSR-II BO of BBSR DO)**

Award dated 07th September, 2009

FACT:-

The complainant had taken one policy from Life Insurance Corporation of India (insurer). The annual premium for six years being paid he desired for surrender of his policy. He was paid Rs.55,322/- as against his deposit of Rs.60,008/-. Hence, he approached this forum. According to insurer, the policy is closed before maturity. As per clause-7 of the policy, guaranteed surrender value comes to Rs.45,004=50. But, they have paid higher amount as Special Surrender Value.

AWARD:-

The Hon'ble Ombudsman observed that premature closure of the policy amounts to losing the part of the benefit under the policy. The insurer had calculated the amount payable as per the policy conditions and **settled** provision. So, there is no compelling ground to interfere with the decision of the insurer. Hence, the complaint stands dismissed.

(46)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-001-0909

**Sri R. Arivoomani Vrs. Life Insurance Corporation of India
(Sambalpur-I BO of SambalpurDO)**

Award dated 09th September, 2009

FACT:-

The complainant had taken one Pension Plan policy from Life Insurance Corporation of India (insurer). He was entitled to get Rs.1072/- annuity per month as per policy bond. But, he was getting @Rs.952/-. In spite of his correspondences, the discrepancy is not solved. So, he approached this forum. During the course of hearing, the insurer was directed to make immediate correspondence with the complainant intimating the reason for discrepancy as the complainant was absent on the date of hearing. Accordingly, the insurer had written to the complainant with copy to this forum. No intimation has been received from the complainant that still he has got any grievance.

AWARD:-

The Hon'ble Ombudsman observed that since the complainant was absent on the date of hearing, insurer has given explanatory reply letter to the complainant and complainant had not given any response thereafter, the case is treated as closed as settled.

(47)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-009-0889

Smt. Ameeta Jena Vrs. Bajaja Life Insurance Co. Ltd.

Award dated 30th September, 2009

FACT:-

The complainant had purchased an assigned policy of Bajaj Allianz Life Insurance Co. Ltd. (insurer) on 09.08.2007. Thereafter, she made some top-up investments. There was 14 to 15 times fund-switch of. According to the complainant, only 3 times she obtained the switching of facilities. But, for rest other times it was without her

consent and knowledge. As a result, she suffered loss to the tune of 18 lacs. On the date of hearing both the insurer and the complainant disputed on the signature put on the switching of format. So, both the parties agreed to refer the matter to the handwriting experts for his opinion. Accordingly, the matter was referred to one eminent handwriting expert (Hand Writing, Finger Print & Ballistic Expert). The opinion of the expert was that the signatures of the complainant put on 11 switches of cases appear to be forged.

AWARD:-

The Hon'ble Ombudsman observed that both parties agreed for expert opinion. As per expert opinion signatures in 11 switches of cases are not of the complainant. So, the hon'ble Ombudsman directed the insurer to regularize the account of the complainant basing on the fact that the switch of fund only done in 3 occasions as confirmed by the expert and treating all other switching of fund as if it is not being done.

CHANDIGARH

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/489/Mumbai/Hissar/22/09
Amit Jain Vs Reliance Life Insurance Co. Ltd.

ORDER DATED: 15th APRIL. 2009

MISCELLANEOUS

FACTS: The complainant Sh. Amit Jain had purchased a policy bearing no. 12074752 in May-2008 which he received on 11.12.2008, after making several complaints. Because of poor services he applied for cancellation of the policy during the free-look period. However the cancellation request was denied.

FINDINGS: The insurer clarified the position by stating that the policy was dispatched to the complainant in June 2008 and was not received back undelivered. Moreover the complainant was working with the insurer during this period. He had access to the system prevailing in the organization. Only in Nov 2008, he informed the insurer that the policy was not received by him. Therefore a duplicate copy of the policy was sent. He treated this duplicate copy as a fresh policy and wanted to avail the free look provision which was denied by the insurer.

DECISION: Held that the contention of the complainant that the case must be treated as one in free look period was not justified as there was no particular term or condition of the policy which he was not satisfied with. Mere requirement of funds to meet financial liabilities could not be a reason for cancellation of the policy. The complainant was advised to continue with the policy in his own interest.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Birla Sun Life/491/Mumbai/Hissar/22/09
Begraj Verma Vs Birla Sun Life Insurance Co. Ltd.

ORDER DATED : 15th APRIL. 2009

MISCELLANEOUS

FACTS: The complainant Sh. Begraj Verma had purchased a policy bearing no. 001521984 for a yearly premium of Rs. 6628/-. But when he received the policy bond he learnt that the policy was issued under half yearly mode. The proposal form which he had signed was different from the one which he received along with the policy bond. The signatures were forged. The medical examination report was also changed. Moreover, he received the policy bond through his agent on 15.08.08, whereas the policy was issued on 25.03.08. He alleged that this was intentionally done so as to pass the free look period. He had applied for cancellation of the policy on 09.09.08, but no response received.

FINDINGS: The insurer clarified the position by stating that they were ready to cancel the policy and refund the premium received by them. They had requested for the original policy bond to be submitted to them but unfortunately the same was not submitted by the complainant. On a query, whether the original policy bond was available with him, the complainant replied in the affirmative.

DECISION: Held that the action of the insurer in cancelling the policy and refunding the premium amount was appreciable. The complainant was advised to hand over the policy bond to the insurer. The insurer was advised to refund the premium amount along with interest @8% w.e.f 29.02.08 till the date of payment. The policy bond in original was handed over by the complainant to the insurer in my presence without the paper duly stamped. The policy must be cancelled on the basis of available documents and amount be refunded.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/567/Gurgaon/Panchkula/22/09

Rajiv Sahni Vs Aviva Life Insurance Co.Ltd.

ORDER DATED: 27.04.2009

MISCELLANEOUS

FACTS: The complainant Sh. Rajiv Sahni had two policies bearing no. LSP 1825575 & LSP1776250 under single premium plan. But from a premium notice after one year he came to know that policies had been issued under regular plan. He had lodged a complaint with the insurer but he was advised to reduce the premium to Rs. 15,000/- when first year premium will be deducted towards management charges. So he approached this forum to get these policies converted to Single Premium. The complainant is a NRI and his father looks after his financial matters.

FINDINGS: The insurer clarified the position by stating that the complainant had two policies. Policy no. LSP1776250 was issued against a proposal form signed on 06.12.07. Policy no. LSP 1825575 was issued against a proposal form signed on 28.12.07. We had advised for reduction of his regular premium to Rs. 15,000/- per annum. It appears that the complainant is an NRI and he does not live in India. On a query, as to when the complainant had left India, the representative of the complainant stated that he had left on 06.12.07. On a query, as to whether any documentary proof was available to show that the complainant left India on 06.12.07 the representative of the complainant showed passport/visa copy of the complainant.

DECISION: Held that the policy No. LSP1776250 was issued against a proposal dated 06.12.07. This is a valid proposal signed by the complainant while in India. Hence this policy should be continued and as per request for the complainant the annual premium may be reduced to Rs. 15,000. As far as policy no. LSP 1825575 is concerned since it was issued against a proposal form signed on 28.12.07 which has not been signed by the complainant while in India, the policy is void *ab-initio*, this policy should be canceled and amount of premium refunded to the complainant without any interest.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance Life/540/Mumbai/Sonepat/22/09
Virender Vs Reliance Life Insurance Co. Ltd.

ORDER DATED: 21st APRIL, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Virender had purchased a policy bearing no. 13108424 with DOC 29.11.2008. The company had dispatched the policy on 15.01.09 which he received on 19.01.09. As he was not satisfied with the terms and conditions of the policy he applied for cancellation within the free look period. But the company refused to cancel the same as the request was outside the free look period. According to the company free look period is counted from the date of issuance of the policy and not from the date of receipt of policy bond. Later on the insurer had cancelled the policy and refunded the premium amount. But the complainant was demanding interest on the amount.

DECISION: Held that the request of the complainant for interest was reasonable. The insurer was ordered to pay the interest @8% pa to the complainant from 27.01.09 till 19.04.09.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/587/Gurgaon/Panchkula/22/09
Jagraj Singh Vs Aviva Life Insurance Co. Ltd.

ORDER DATED: 20th May, 2009

MISCELLANEOUS

FACTS: The uncle of the complainant Sh. Jagraj Singh, Shri Tarlochan Singh was an NRI and wanted to invest Rs. 19 lakhs. After a discussion with the agent he agreed for a Fixed Deposit Scheme. The agent told him to undergo a medical examination. Since he does not reside in India, he was unaware of the procedures and hence agreed for a medical examination. Later on the agent told him to get a younger person to invest for him in his name. His uncle requested him (complainant) to help him, for which he agreed. The proposal

form was signed blank on the day when he was leaving for USA i.e 10.12.07. He received a letter from the company for premium payment. He failed to understand why the premium is asked for, when they have already made the payment. They contacted the agent who told them that this was as per their agreement. They wanted to cancel the policy but they were told that only Rs. 10.00 lakhs would be payable and to keep the policy in continuation they would have to pay additional premium.

FINDINGS: On asking the insurer that as the life assured was an NRI and had given the address of USA. Whether the formalities relating to insurance cover in respect of NRI had been completed at the time of proposal for underwriting the same, they replied in the affirmative and showed a copy of the questionnaire signed by the policy holder along with a PIO form.

DECISION: Held that there was no misale of the policy and the policy was issued in full knowledge of the complainant. But as he was an NRI and did not have an access to the policy within the free look period a special consideration may be given as far as waiving of off free look period was concerned. The policy should be converted into single Premium Policy *ab-initio* and the option should be sought from the complainant for the new product from single premium plans. The new product would be issued in the form of a new policy bond in lieu of the present policy bond with date of commencement as Dec-2007. The new policy bond will not have any free look period option.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bharti AXA/532/Mumbai/Abohar/22/09
Bhupinder Kumar Vs Bharti Axa Life Insurance

ORDER DATED: 20th MAY, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Bhupinder Kumar had purchased a single premium policy bearing no. 5000650902 by paying Rs. 3,00,000. He was assured 20% interest. But the policy was issued as regular premium policy by the insurer and after one year he received an SMS and a letter to deposit Rs. 3.00 lakhs. He was a small farmer and not in a position to pay further premiums.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filed up by the complainant. No request for conversion from regular premium to single premium was received in the free look period. Hence the policy cannot be converted into single premium policy at this late stage.

DECISION: Held that the annual income of the complainant was shown as Rs. 5.2 lakhs. There were other policies with sum assured of Rs. 8.00 lakhs which were mentioned by the policy holder. Taking the above factors into consideration, it appeared that the policy holder had to pay about Rs. 3.50 lakhs annually including the premium for the Dream Life Pension Policy of the insurer. This would be difficult on an annual income of Rs. 5.20 lakhs. It was ordered that the policy may be converted to single premium policy *ab-inito* and endorsement be made on the policy document accordingly.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Birla Sun Life/607/Mumbai/Ludhiana/22/09
Sh. Sukhjinder Kaur Brar Vs Birla Sun Life Insurance Co. Ltd.

ORDER DATED 22nd May, 2009

MISCELLANEOUS

FACTS: The complainant Smt. Sukhjinder Kaur Brar had purchased a policy bearing no. 001432444 under Single premium with locking period of three years. She had invested Rs. 10,00,230/-. When she received the FPR she was shocked to notice the premium paying term of 20 years. Also against the column of nominee she had requested that her daughter Raj Amrit should be included whereas in the policy bond the name of one Paramjeet Sidhu had been mentioned about whom she had no knowledge. She also stated that she was an NRI from Canada and it had been difficult to access the insurer. She had requested the agent to get the policy converted to single premium mode and change of the nominee within the free look period but the same was not done.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. She has ticked 20 years as the term of the policy. Regarding the nominee the name was as mentioned in the proposal form. The request for conversion to Single premium mode was not received during the free look period.

DECISION: Held that although the complainant had stated that she was an NRI and her passport was used to verify her date of birth proof, the necessary documentation for NRI did not appear to have been filled up. The proposal form had shown an income of Rs. 18.00 lakhs and it was difficult to pay Rs. 10.00 lakhs every year. It appeared to be an apparent underwriting lapse involving financial and moral hazard as far as annual income shown in the proposal form and not obtaining the NRI questionnaire along with the proposal form and also the premium paying term was concerned. Giving the benefit of doubt to the complainant it was decided that it was a misale of the policy and the same must be converted to single premium mode by cancelling the present policy *ab-initio* and investing the amount in a plan having single premium mode from the original date of commencement of the canceled policy after having obtained the necessary documents duly completed and signed by the complainant. The insurer was entitled to deduct the risk premium charges and stamp duty charges and medical charges till the policy was in force as per IRDA Guidelines.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. ICICI/602/Mumbai/Karnal/22/09

Dalip Singh Saini Vs ICICI Prudential Life Insurance Co. Ltd.

ORDER DATED: 22nd May, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Dalip Singh Saini had insured himself vide policy no. 01017460 on 27.07.2004. He was regularly paying the premium of Rs. 3302/- to the company, but unfortunately he lost his vision in a road accident and as such not in a position to read or to work. Being a typist by profession, his livelihood has come to an end. He has paid about Rs. 26,416/- till date and is unable to pay further premiums. He requested the company to refund the whole amount deposited by him but the officials informed him that only a sum of Rs. 12,661/- would be payable. He alleged that the company never informed

him about such policy condition wherein only 35% of the premium shall be paid. When he understands that there was an accidental disability benefit rider in the policy. He wanted the benefits of that rider to be given to him as per terms and conditions of the policy and the policy should be continued by waiving of the future payment of the premium from the date of disability as per the terms and conditions of the policy.

FINDINGS: The insurer clarified the position by stating that surrender value of Rs. 12661 is payable as per terms and conditions of the policy. As far as accidental disability benefit rider is concerned no such request has been received by them. They would consider the request on receipt of required medical documents.

DECISION: Held that the request of the complainant that benefits of accidental disability benefit rider should be extended to him appears justified. The insurer was advised not to process the application for surrender of the policy but should consider the request of the complainant for extending the benefits of accidental disability benefit rider especially in view of the fact that he had no source of income as he had lost the source of livelihood.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/002/Mumbai/Chandigarh/22/10
Mohd. Rashid VS Reliance Life Insurance Co. Ltd.

ORDER DATED: 29th MAY, 2009

MISCELLANEOUS

FACTS: The complainant Mohd. Rashid had purchased a policy bearing no. 13631750 in the name of his son, Mohd. Aftab. After some time he started facing financial hardships. Hence he wanted to cancel the policy during free look period. However he did not receive the policy bond. After waiting for two months he contacted the branch office, where the officials handed over his policy to him on 26.03.09. He applied for cancellation within the free look period. But the company rejected the application.

FINDINGS: The insurer clarified the position by stating that the policy was issued in Jan-09 and it was not returned undelivered. On the request of the applicant another copy of the policy was issued on 26.03.09 for which no request for cancellation has been received till date. As it was a regular premium policy, the complainant was at liberty not to pay further premia. He would get the surrender value of the units at the expiry of three years but there would be no risk cover after the first anniversary period was over and also after the grace period was over.

DECISION: Held that the contention of the insurer that request for cancellation was not received within the free-look period is in order. The complainant was advised to keep the policy running even if he was not able to pay further premia. In that case he would get the surrender value after 3 years.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/591/Mumbai/Palwal/22/09
Shakuntla Devi VS Reliance Life Insurance Co. Ltd.

ORDER DATED: 2nd JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Ms. Shakuntla Devi had purchased a policy bearing no. 111072805 in Nov-2007 under Single Premium of Rs. 25,000/-. But the company issued her a regular premium policy with wrong address. After several requests she received the policy on 16.01.09 wherein particulars about her were wrongly mentioned. She alleged that the proposal form wherein she had signed was not shown to her.

FINDINGS: The insurer clarified the position by stating that the policy was issued based on the proposal form filled by the complainant. The insurer was asked to present the proposal form of the complainant wherein the complainant had applied for policy under yearly premium mode. The representative of the complainant stated that the signatures on the form

were not of Smt.Shakuntla Devi. Hence the company had not been fair in their dealing with them. But it was found that there was no reason to suspect the bonafides of the signatures. The complainant was advised to bring the proof of delivery of the policy bond by the insurer. He provided documents from Blaze Flash courier through which he had sent the policy document.

DECISION: The proof of delivery appeared to be genuine. Taking 23.01.09 as the date of receipt of documents by the complainant and 27.01.09 as the date of despatch of letters/documents for cancellation of policy, the contention of the complainant that request for cancellation was made during the free look period appeared to be in order. The insurer was advised to convert the policy to single premium policy

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. HDFC/614/Mumbai/Bhiwani/22/10
Susheela Devi Kaushik Vs HDFC Standard Life Insurance Co. Ltd.

ORDER DATED: 2nd JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Smt. Susheela Devi Kaushik had applied for cancellation of her policy bearing no. 12231900 and 12232598. But the same was rejected by the company as the free-look period had expired. She stated that the advisor had not explained the features of the policy. She felt cheated as the policy was mis-sold to her.

FINDINGS: The insurer stated that the policies were issued as per the proposal form filled up. The request for cancellation was not received during the free look period. Hence the policy was not cancelled.

DECISION: Held that the complainant had shown an income of Rs. 4.00 lakhs annually. The total premium payable on both the policies was Rs. 1.00 lakhs. It would be difficult for the complainant to pay Rs. 1.00 lakhs annually on an income of Rs. 4.00 lakhs. The insurer was ordered to convert the policy to single premium policy *ab-initio*.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bajaj Allianz/009/Pune/Faridabad/22/09
Saroj Kumari Vs Bajaj Allianz Life Insurance Company Ltd,

ORDER DATED: 9th JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Smt. Saroj Kumari on had purchased 3 policies bearing no. 0044595350, 0043194182 and 0043159808 in the month of March/07 by paying Rs. 1.00 lakh, Rs. 10,000 and Rs. 10,000 respectively. In spite of several requests she did not get the policy bond. She paid the second installment after getting assurance that the policy bond would be issued to her. However she did not receive the bonds. On one hand they kept on assuring her that the bonds would be issued, on the other hand they said that the bonds were already delivered to her in April-07 and showed her the acknowledgement, which she had not signed. Immediately she brought the matter to the notice of RM/ZM and thereafter she received the policy bond on 24.01.09. On going through the policies she found that the plans were changed and premium paying term was also changed to 20 years from 3 years. Her address in all the policies was different. Particulars of her husband were also wrongly mentioned. When she contacted the branch she did not get any positive response.

FINDINGS: The insurer clarified the position by stating that the policy bond was issued as per the proposal form filled up by the complainant.

DECISION: Held that while going through the proposal form it appeared that that the terms of the policy was tampered with from 03 years to 20 years. Giving the benefits of doubt to the complainant the insurer was ordered to convert the policies to 3 years *ab-initio* especially since the second premium had been paid by the complainant. The duplicate policy would be issued without any extra charges. The policy must be revived with third premium without late fee/interest if revived by 31.08.09. If policies were not revived by 31.08.09, then late fee/interest as applicable would be payable. .

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/043/Gurgaon/Mohali/22/10
Didar Singh Vs Aviva Life Insurance Co.Ltd.

ORDER DATED: 11th JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Didar Singh stated that his mother Smt. Charan Kaur had sold her only valuable piece of agricultural land at village Sukhgarh and opened a new bank account in Centurion Bank of Punjab to get the money deposited by way of demand draft. She invested the amount in F.D.'s. After one year when she went to get the amount, she learnt that the bank had invested her Rs. 2.00 lakhs under Aviva's Life insurance policies bearing no's LSS1864259 and LSS1865623. A written complaint was given on 06.03.09 to the insurer. However no action was taken.

FINDINGS: The insurer clarified the position by stating that the complainant had given two proposal forms one dated 05.02.08 and the other dated 11.02.08 for Rs. 1.00 lakh each. It was mentioned in the proposal form that the premium payment mode would be yearly for 10 years. Accordingly the policies were issued. However taking into account the overall position the company had decided to convert the policies to single premium mode. On a query whether he was interested in getting the policies converted into single premium mode, the complainant replied in the negative and stated that he wanted the policies to be cancelled and amount refunded to him.

After going through the proposal form, bank statement and the pass book of Smt. Charan Kaur complainant carefully, the following were the findings

- a) An amount of Rs. 2.00 lakhs was debited in the pass book of Smt. Charan Kaur on 09.02.08 and credited to the account of Aviva Life Insurance Company India Ltd.
- b) The signatures on both the proposal forms did not belong to the complainant.
- c) The nominee was the mother of the complainant rather than his wife or children.

DECISION: On scrutiny of the documents it became very clear that while the amount of Rs. 2.00 lakhs was debited on 09.02.08, one of the proposal forms was signed on 11.02.08. This was an anachronism and was not justifiable. Moreover the contention of the complainant that the money belongs to his mother was borne by the fact that the amount had been debited from the account of his mother Smt. Charan Kaur. It could be assured that the aim was to issue a policy even if the fund owner was not eligible for being issued. Hence policy was wrongly issued in the name of the complainant because his mother had crossed the age of 65 and a policy could not be issued in her name. The forgery of the signature was another fraud committed by the insurance agent without the knowledge of the complainant or his mother. Taking the above factors into consideration, it was held that there was a gross mis sale of the policies and even though the free look period was over, the policies deserved to be cancelled on account of mis-sale specially when the money belongs to a very Senior Citizen who needed to be helped rather than was cheated. Insurer was ordered that both the policies must be cancelled *ab-initio* and an amount of Rs. 2.00 lakhs would be paid by the insurer to the complainant by issuing a local payee's account cheque in the name of Smt. Charan Kaur

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/047/Gurgaon/ Mohali/22/10
Kulwant Kaur Vs Aviva Life Insurance Co.Ltd.

ORDER DATED: 11th JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Smt. Kulwant Kaur had purchased a policy bearing no. ASV-1991376 in the month of May 2008. She had invested in a onetime premium policy. Later on she learnt that the same was not a onetime policy but had to pay subsequent premiums. She alleged that she was misguided by the agent and was not properly explained the contents of the policy. She stated that his family had sold their ancestral agricultural land and had invested that amount in a onetime policy. She requested for conversion of the policy to a onetime payment policy.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. She had applied for annual premium mode and the premium was to be Rs. 1,50,000.

DECISION: Held that the complainant was a student at the time of filing up the proposal form. It was difficult for her to pay a premium amount of Rs. 1,50,000/- for 10 years without any source of income. The father's income which was shown as Rs. 1,50,000/- could be used only if the father is a proposer. The father could propose in the name of daughter if he himself was insured. Moreover there was no document to show proof of income for the last three years to substantiate the fact that the annual income is Rs. 1,50,000/-. Since she would not be able to continue the policy in a yearly premium mode was justified, conversion of policy to single premium mode would meet the ends of justice. It was ordered that the policy should be converted to single premium mode.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/044/Gurgaon/ Mohali/22/10
Parminder Singh Vs Aviva Life Insurance Co.Ltd.

ORDER DATED: 11th JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Parminder Singh had purchased a policy bearing no. ASV-2018833 in the month of May 2008. He had invested in a onetime premium policy. Later on he learnt that the same was not a onetime policy but had to pay subsequent premiums. He alleged that he was misguided by the agent and was not properly explained the contents of the policy. He stated that his family had sold their ancestral agricultural land and had invested that amount in a onetime policy. He requested to convert the policy to a onetime payment policy.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant.

DECISION: Held that the income was shown as Rs. 7.00 lakhs but no proof of income was available and the money was invested as a onetime amount out of sale of ancestral property. Giving the benefit of doubt to the complainant, the insurer was ordered to convert the policy to single premium policy. It appeared to be mis sale by the corporate agent and in order to avoid such mis sales in the future the commission paid by the insurer to the corporate agent should be recovered from them as per the IRDA Guidelines and the same should be credited to the account of the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/034/Gurgaon/Moga/22/10
Surjit Singh and Darshan Singh Vs Aviva Life Ins. Co. Ltd.

ORDER DATED: 11th JUNE, 2009

MISCELLANEOUS

FACTS: The complainants Sh. Surjit Singh and Sh. Darshan Singh had purchased policies in the year 2005-06. Lumpsum premium of Rs. 8.00 lakhs in the name of Sh. Surjit Singh and Rs. 5.00 lakhs in the name of Sh. Darshan Singh was made on a single day. They received the policies after 3-4 months and found that they were not in accordance with what was told to them at the time of taking the policies. They had suffered huge losses on account of mis sale. They had approached the company but the officials were making false promises to get the policies changed and refunded. Subsequently they received a no. of calls from Head Office that the money would be refunded. Out of Rs. 13.00 lakhs only Rs. 8.00 lakhs was refunded whereas Rs. 5.00 lakhs have not been refunded despite numerous assurances.

FINDINGS: The insurer clarified the position by stating that there were two policies with annual premium of Rs. 1.5 lakhs in the name of Sh. Surjit Singh and Rs. 1.00 lakhs in the name of Sh. Darshan Singh. The policy in the name of Sh. Surjit Singh was for a period of 25 years and one in the name of Sh. Darshan Singh was also for a 25 years term. The request for conversion of policies to single premium was considered and the same were turned down.

DECISION: The insurer was ordered to convert both the policies into 3 year term policies from 25 year term. The necessary documentation for conversion of the policies from 25 year term to 3 year term would be completed by the insured and the insurer would issue the new policies

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bajaj Allianz/036/Pune/Mohali/22/10
Sh. Charanpal Singh Vs Bajaj Allianz Co. Ltd.

ORDER DATED: 12th JUNE, 2009

MISCELLANEOUS

FACTS: The complainant had purchased a money back policy bearing no. 003017404 for S.A of Rs. 1.5 lakhs dated 28.09.2003. He had been paying the premium of Rs. 7047/- by cash or by cheque regularly. But when he deposited the renewal premium due March-2006,

he noticed from the receipt that the company had kept the amount in deposit. The company alleged that the cheque for renewal premium due in September 2005 had been dishonored. But the same was never presented to his bank for clearance. He stated that non presentation of the cheque or its misplacement is serious lapse on the part of the company. Moreover, the company never informed him about non accounting of the renewal premium. He came to know only when his cheque for Sept 2006 was not accepted. Hence he requested intervention of this forum in getting his policy reinstated from Sept 2005 without treating it as delayed premiums and accepting the same without charging interest and release of first S.B payment due in 2006.

FINDINGS: The insurer clarified the position by stating that the cheque was presented in the bank but the same was not cleared due to a technical problem. Although the complainant had paid the premium in cash March 2006, by that time one more premium had become due and hence the premium paid was kept in deposit and the policy was not revived.

DECISION: Held that to the extent that the complainant was not informed about dishonor of the cheque or shortfall in paying the cash in March 2006, the policy must be revived on the basis of SB cum revival scheme. The insurer would not charge any late fee/interest and other requirements for revival also waived off. The balance amount payable by the complainant to the insurer up to March-06 had to be intimated to the complainant and the complainant was advised to pay the premium due within 45 days of the receipt of demand letter from the insurer. In case payment was not made within 45 days, the insurer was at liberty to charge the amount payable for normal revival.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/609/Chandigarh/Mohali/24/09
Prem Kishore Vs LIC of India

ORDER DATED: 15th JUNE, 2009

MISCELLANEOUS

FACTS: This complaint has been filed by Sh. Prem Kishore on 26.03.2009. Brief facts of the case are that he was allured in purchasing two policies bearing nos. 163949189 and 163948444. At the time of taking the policy he was informed that if he paid Rs. 50,000/- p.a for 5 years he would start getting Rs. 50,000/- p.a from the sixth year onwards upto 15th year and in the 16th year he would get Rs. 9,14,351/-. Accordingly he paid Rs. 1,00,000/- and Rs. 50,000/- under the above policies. Apart from this he invested Rs. 2,60,000/- under six policies under onetime payment mode with the same returns. When he came to know about the mis sale he reported the matter to the branch manager who refused to help him. When he threatened to go to the Bima Lokpal, the branch manager agreed to convert the regular premium policies to single premium. He applied for the conversion accordingly and wanted the policies to be converted to Single premium mode. However, no action was taken by the insurer to convert the policies.

FINDINGS: The insurer clarified the position by stating that the policies were issued as per the proposal forms filled by the complainant. The complainant had the annual income of Rs. 2.00 lakhs. He furnished the income tax return which shows an income of Rs. 1.17 lakhs.

DECISION: It was found that that it would be difficult for him to have a policy for annual premium of Rs. 1.50 lakhs on an income of Rs. 1.17 lakhs. The insurer was ordered to convert the policy to single premium mode *ab initio*.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/068/Mumbai/Chandigarh/22/10
Ajay Kumar VS Reliance Life Insurance Co. Ltd.

ORDER DATED: 24TH JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Ajay Kumar had purchased a policy bearing no. 14003966. As he was not satisfied with the terms and conditions of the policy, he applied for

Cancellation of the policy within the free look period. But instead of cancelling the policy, they returned the policy back to him. He visited the branch several times but did not get any positive response.

FINDINGS: The insurer clarified the position by stating that the policy was received by the complainant on 26.03.2009 and request for cancellation was received on 15.04.2009. Since it was outside the free-look period the request was turned out.

DECISION: Held that the contention of the complainant that he had visited the offices of the insurer within the free-look period but due to delayed response he could give the letter in writing only on 14.04.09 appeared plausible. Giving the benefit of doubt to the complainant, the insurer was ordered to cancel the policy and the NAV along with other amount due as per IRDA guidelines be refunded to the complainant accordingly. The policy in original was handed over by the complainant to insurer on the spot.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bajaj Allianz/083/Pune/Chandigarh/24/10
Gurcharan Kaur Vs Bajaj Allianz Life Insurance Company Ltd,

ORDER DATED: 24TH JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Smt. Gurcharan Kaur on 07.05.09 was allured in purchasing a policy bearing no. 0004477161. She agreed to save an amount of Rs. 50,000/- in % years. She was assured that she had to pay only one year premium and she would get the amount after 5 years. After 5 years when the policy matured, she visited the local office at Chandigarh where she was given a form with two options, from which one was to be exercised and the full amount would be paid as per the policy. She stated that no one explained to her anything about the policy except that she had to deposit the amount yearly and would get the total amount plus bonus. She visited the office several times but did not get any satisfactory reply. She had made it clear that she did not want to exercise any option and wanted her money back. The complainant also stated that they had given a written request on 27.01.09 before the date of vesting on 28.01.09 that surrender value be paid by the insurer.

FINDINGS: The insurer clarified the position by stating that the request for surrender value was received after the date of vesting and hence only annuity option was available to the policy holder.

DECISION: Held that the request for surrender value was made on 27.03.09 which was before the date of vesting viz 28.03.09. Hence, the insurer was bound to honour the request for surrender value as per terms and conditions of the policy. The insurer was ordered to pay the surrender value as on date of vesting to the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. ICICI/013/Mumbai/ Hissar/22/10
Dharambir Singh Vs ICICI Prudential Life Insurance Co.

ORDER DATED: 25th JUNE, 2009

MISCELLANEOUS

FACTS: The complainant Sh.Dharambir Singh had purchased a policy bearing no. 07682535 by paying a premium of Rs. 5.00 lakhs including an insurance cover. After several follow-ups, when he received the policy on 18.02.09 he found that the policy was totally different than the one explained to him by the agent. Moreover there was no risk cover under the policy. He applied for cancellation of the policy within free look period, but he did not get any positive response.

FINDINGS: The insurer stated that the policy was as per proposal form. The complainant had already paid annual premium in Feb-09. Cancellation of policy at that late stage was not justified. Hence the request for cancellation cannot be considered. The complainant applied for reduction of the premium in Jan 09 which was agreed to.

DECISION: Held that there were some lacunae between the proposal form and the policy bond. The term applied for was 3 years whereas the policy bond stated 5 years. Secondly, he applied for reduction of premium to Rs. 60,000/- which was changed to Rs. 1.00 lakh.

Thirdly, the request for cancellation of policy was made in Feb 09 within the free look period of the receipt of policy bond to which there was no response. On the other hand he was asked to deposit another premium of Rs. 1.00 lakh which he did on 31.03.09. It was noticed that there was a deficiency of service by the insurer. The insurer was ordered that the policy must be cancelled *ab-intio* as was within the free look period and the NAV on the date of request for cancellation viz 20.02.09 must be paid by the insurer to the complainant as per IRDA Guidelines. The premium paid in March 09 must be returned in full. The complainant however was not agreeable to get the NAV on the date of cancellation viz 20.02.09 and wanted the policy to be continued. No further action is called for. The complaint was dismissed.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/091/Mumbai/Amritsar/22/10
Sudarshan Kumar Sarpal VS Reliance Life Insurance Co. Ltd.

ORDER DATED: 7TH JULY, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Sudarshan Kumar Sarpal purchased a policy bearing no. 11144465 in the month of Nov, 2007. As per the policy document, 0.00% allocation charges were mentioned in first and second year. He was satisfied and kept mum. But when he collected the statement during Nov, 2008, he was shocked to notice that Rs. 5000/- was deducted in the very beginning of the statement towards allocation charges. In addition to This, an approx. amount of Rs. 2250/- were deducted towards various charges on monthly basis. He felt cheated and hence requested the company to cancel his policy right from inception. After several correspondences with the company, he finally received his premium amount of Rs. 20,000/- back without any interest. Hence he requested intervention of this forum in getting the interest from Nov, 2007 to April, 2009 as applicable since he was not at fault.

FINDINGS: The insurer clarified the position by stating that although the request for cancellation was received outside the free look period. as a goodwill gesture they had cancelled the policy and refunded the premium. Also they were in the process of paying interest @8% w.e.f the date of commencement of the policy.

DECISION: Held that while the gesture of the insurer in cancelling the policy was appreciated, it needs to be mentioned that the terms and conditions of the policy mentioned in the policy document were not at variance with the action taken by the insurer while allocating the premium for investment. The insurer was ordered to pay the interest @8% w.e.f 30th Nov 2007 till 16.04.09.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. FGI/526/Mumbai/Patiala/22/09
Sh. Tarsem Lal Future Generali India Life Ins. Co. Ltd.

ORDER DATED: 7TH JULY, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Tarsem Lal purchased a policy bearing no. 00036939. He applied for cancellation of the policy during the free-look period as he was not satisfied with the terms and conditions of the policy.

FINDINGS: The insurer stated that no concrete reasons were given by the complainant for cancellation of the policy within the free look period and the policy was not cancelled.

DECISION: Held that if the request for cancellation had been received within the free look period the policy must be cancelled. The insurer was ordered to cancel the policy *ab-initio* and the initial premium of Rs. 5500 be refunded to the complainant subject to surrendering of the original policy document to the insurer by the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/133/Gurgaon/Gurgaon/21/10
Sunita Goel Vs Aviva Life Insurance Co. Ltd.

ORDER DATED: 17TH JULY, 2009
MISCELLANEOUS

FACTS: The complainant Smt. Sunita Goel was redirected by our Delhi Ombudsman Centre for want of Territorial Jurisdiction. The complainant stated that her husband Sh. Om Ratan Goel had purchased a policy bearing no. LLG-1178083 with riders of Hospital Cash Benefit and critical illness, Permanent Total Disability in the year June 2005. She underwent an Open Heart Surgery for replacement of valves on 08.12.07. When the claim for Medical Benefit was preferred to the insurer, the same was denied stating that replacement of valves was not covered. However an amount of Rs. 7000/- was settled towards Hospital Cash Benefit as against Rs. 15,000/-. She stated that the total expenditure incurred was Rs. 4.00 lakhs approximate.

FINDINGS: The insurer clarified the position by stating that valve replacement was not covered under critical illness rider. Hence critical illness was not payable. As far as reimbursement of hospital expenses were concerned ICU bills were not submitted. Hence only admissible amount of Rs. 7000/- was paid.

DECISION: It was held that while valve replacement was not found mention in the critical illness rider, 'Open Heart Surgery' was mentioned. Since Open Heart Surgery was performed to insert the valve even if valve replacement amount was not payable, the amount spent on Open Heart Surgery was payable. Giving the benefit of doubt to the complainant the critical illness benefit for Rs. 1.50 lakhs would be paid by the insurer to the complainant. As far as hospital expenses were concerned ICU was a part of the heart treatment package. Hence the balance amount of Rs. 8000 would be paid by the insurer to the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. HDFC/147/Mumbai/22/10

Dharam Pal Sharma Vs HDFC Standard Life Insurance Co. Ltd.

ORDER DATED: 27th JULY, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Dharam Pal Sharma, purchased a policy No. 11520966 on 08.06.2009. He had applied for the policy after taking loan from the Punjab National Bank.

The agent canvassed for single premium policy of 2.00 lakhs but issued the same under regular mode which the complainant can't afford. So, he has prayed for getting the policy in single mode.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. Request for cancellation was not received within the free look period. Hence the policy could not be cancelled. On a query as to what was the proof of taking loan from the bank the complainant furnished original letter issued by the bank regarding availing of overdraft loan against his OD account.

DECISION: After going through the records especially the letter from the bankers it was held that the contention of the complainant that he was not in a position to make payment on annual basis was true. The insurer was advised to convert the policy to single premium mode.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. ICICI/098/Mumbai/Amritsar/22/10
Sukhwinder Singh Vs ICICI Prudential Life Insurance Co. Ltd.

ORDER DATED: 27TH JULY, 2009

MISCELLANEOUS

FACTS: Sh. Sukhwinder Singh complained that he had approached the branch Manager, ICICI Bank, Mall Road, Amritsar for FD. The Manager, Mr. Grover informed the complainant that FD for 3 years was issued which would earn 15% of interest. On non receipt of the same when he approached the bank a photocopy was handed over to him. Then it was noticed that a policy had been issued instead of FD.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant and no request for cancellation was received within the free look period. The policy could not be cancelled.

DECISION: Held that the annual income shown in the proposal form was Rs. 10.00 Lakhs and the annual premium was Rs. 20.00 lakhs. It would not be possible for the complainant to pay Rs. 20.00 lakhs annually on an income of Rs. 10.00 lakhs. The insurer was advised to convert the policy to single premium mode.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Kotak Mahindra/134/Mumbai/Ludhiana/22/10
Smt. Suman Lata Vs Kotak Mahindra Life Ins Co. Ltd.

ORDER DATED :27TH JULY, 2009

MISCELLANEOUS

FACTS: The complainant Ms. Suman Lata and Ms. Surjit Kaur had purchased two policies bearing nos. 843051 and 8403050. They have stated that at the time of purchase, they were informed that they would pay Rs. 1,00,000 each for the first year and Rs. 25,000 for next two years. But when they presented cheque for Rs. 25,000/- as 2nd year premium in Jan 09, the same had not been presented by the Kotak Mohindra Co. to their bankers. On approaching them, they were informed that case was pending at head office. On 01.06.09 when again enquired, the company representative had returned the cheques.

FINDINGS: The insurer clarified the position by stating that the product was not envisaging deduction of premium. Hence it was not possible to reduce the premium since it was not in the terms and conditions of the policy. However they were willing to reduce the premium to Rs, 50,000 which was the minimum amount payable under Kotak Smart Advantage Plan.

DECISION: Held that a letter was written by the insurer to the complainant stating that there was no possibility of deduction of premium under this plan. In the next para it had been stated that the premium could be reduced to Rs. 50,000. There was apparent contradiction in terms. Date of first premium receipt was 12.01.08 whereas request for conversion appears to have been received by the insurer on 05.01.08. No fresh proposal form had been filled up by the complainant for the new product Kotak Smart Advantage Plan. Moreover there was no provision in the new product for reduction of the premium but the insurer had offered to reduce the premium to Rs. 50,000 which was against the IRDA approve product. Thirdly cheques for Rs. 25000 issued by the complainants were lying in the office of insurer without any action for 5 months. If the amount was not acceptable the cheque must have been returned immediately. It was ordered to cancel the policies *ab-intio* and refund the premium less prorata risk coverage and stamp duty

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bajaj Allianz/185/Pune/Chandigarh/22/10
Ashok Kumar Vs Bajaj Allianz Life Insurance Company Ltd,

ORDER DATED: 7TH AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Ashok Kumar had a policy no. 101876925 with Bajaj Allianz on 22.06.09. He complained that he was contacted by the company to have fixed deposit scheme. So, he invested Rs. 25,000/-. But to his surprise, he received policy under unit Gain and 55% was deducted as charges. He approached the insurer for cancellation of policy, which was refused.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. Request for cancellation was not received within the free look period. Hence the policy was not cancelled.

DECISION: Held that the insured was 58 year of age at the time of taking the policy and 15 years was a long period for him to enjoy the fruit of investment. Also to spare funds every year at a late age would be difficult. It appeared to be a misale of policy in the form of allurements as a onetime investment. The insurer was advised to convert the policy to single premium mode and buy additional units for the unallocated amount accordingly after deducting the charge for single premium policy.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bharti AXA/183/Mumbai/Mohali/22/10
Gagandeep Singh Vs Bharti Axa Life Insurance

ORDER DATED: 7TH AUGUST, 2010

MISCELLANEOUS

FACTS: The complainant Sh. Gagandeep Singh had a policy no. 5001525095 with Bharti Axa Life Insurance. He complained that wrong plan and term policy had been issued to him. He wanted Single Premium Policy.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. Since the request was not received within the free look period the request for cancellation cannot be done. On a query as to what was the annual income of the complainant, the insurer replied that it was Rs. 3.00 lakhs and the annual premium to be paid was Rs. 2.00 Lakhs for two policies of Rs. 1.00 lakhs each.

DECISION: Held that the income criteria did not justify annual premium of Rs. 1.00 lakh to be paid by the complainant especially when another policy also to be funded by the same source. It appeared to be an underwriting lapse. The insurer was advised to convert the policy to single premium mode by offering a product in which single premium mode was possible.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bharti AXA/184/Mumbai/Mohali/22/10
Malkit Singh Vs Bharti Axa Life Insurance

ORDER DATED: 7TH AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Malkit Singh had a policy no. 5001525111 with Bharti Axa Life Insurance on 30.07.09. He complained that regular premium policy was sold instead of single premium policy.

FINDINGS: The insurer clarified the position that the policy was issued as per the proposal form filled up by the complainant. Since the request was not received within the free look period the request for cancellation could not be done. On a query as to what was the annual income of the complainant, the insurer replied that it was Rs. 3.00 lakhs. The annual premium to be paid was Rs. 2.00 Lakhs for two policies of Rs. 1.00 lakhs each.

DECISION: Held that the income criteria did not justify annual premium of Rs. 1.00 lakh to be paid by the complainant especially when there was another policy to be funded by the same source. It was an underwriting lapse. The insurer was advised to convert the policy to single premium mode by offering a product in which single premium mode was possible.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. SBI Life/125/Mumbai/Mohali/22/09

Gurmeet Singh Vs SBI Life Co. Ltd.

ORDER DATED: 7TH AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Gurmeet Singh had invested Rs. 95,000/- in a one-time-investment plan for 3 years on 21.01.08. But when he received the documents on 14.03.08, he came to know that the plan given to him was for term of 5 years under yearly mode. Also the units allotted were for Rs. 80,688/- instead of Rs. 95,000/-. He returned the original documents with a request for necessary corrections. However he received a letter dated 09.05.08 informing him that mode and term cannot be changed. He received another letter dated 21.04.09 to deposit second installment and an SMS on 21.05.09 that his policy has been lapsed.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. The request for cancellation was not received within the free look period. Hence the policy cannot be cancelled /altered. On a query as to what was his annual income, the complainant stated that it was 1.20 lakhs. The annual income shown in the proposal form was Rs. 2.00 lakhs and the income stated by the complainant was Rs. 1.20 lakhs. In either case it would be difficult for the complainant to make payment for Rs. 95, 000 annually. It was ordered that the policy must be converted to single premium mode *ab-intio* and additional units would be purchased for the unallocated amount as on the date of initial purchase of units. Necessary endorsement would be made on the policy bond.

Again a letter was received from the insurer on 30.06.09 in which it was stated by the insurer that they had issued the policy as per the proposal form and request for cancellation was not received within the free look period of 15 days. Hence the policy could not be cancelled and only surrender value was payable after 3 years. Moreover conversion from yearly to single premium mode was not possible. Hence they were not in a position to convert the policy to single premium mode.

DECISION: Held that the cancellation/conversion of the policy would not be on the basis of free look period alone. No proper scrutiny of the proposal was made by the insurer to assess the paying capacity of the complainant. Payment of annual premium of Rs. 95,000/- on an income of Rs. 1,20,000/- (pension being received by the complainant) was not possible. Hence the policy was void *ab-initio*. The insurer was ordered to cancel the policy *ab-initio* and refund the premium amount of Rs. 95,000/- to the complainant accordingly.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/048/Gurgaon/Mohali/22/10
Jaspal Kaur Vs Aviva Life Insurance Co.Ltd.

ORDER DATED: 17TH AUGUST. 2009

MISCELLANEOUS

FACTS: The complainant Smt. Jaspal Kaur was allured in purchasing a policy bearing no. APG-1928239 by paying a premium of Rs. 3.00 lakhs. She was assured that the amount would get tripled in 3 years. She received a premium notice in January-09. She stated that being a widow and no source of income, she was unable to pay the premium. Moreover, she was not told that she had to pay the premiums for 4 more years. She had written to the company however the company rejected her application. She felt cheated over the mis-sale and requested for getting the policy converted to single premium or refund of the entire premium paid.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. However looking at the special circumstances of the case they were willing to convert the policy to single premium policy.

DECISION: Held that the insurer was advised to convert the policy into single premium mode policy *ab-initio*.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. HDFC/115/Mumbai/Ropar/22/10
Mastan Singh Vs HDFC Standard Life Insurance Co. Ltd.

ORDER DATED: 17TH AUGUST, 2009

MISCELLANEOUS

FACTS: Sh. Mastan Singh was holding saving account with HDFC Bank, Ropar. The Branch Manager Ms. Komal Sharma misguided him and managed to issue insurance policy

N0. 11232565 out of saving a/c with the advice that the money will go double within 3 years. Even on his insisting that he can't pay premia, the manager advised that he can pay only ten thousand each for next two years and then he can withdraw money. But the complainant received notice for Rs. 1.00 lakh premium. On approaching the Bank, the manager informed that the permission from head office has been received and complainant was asked to remit Rs. 10,000/- which was remitted through cheque no. 083939. After one month the cheque was returned to complainant with the instructions that the policy was lapsed and nothing could be done.

FINDINGS : The insurer after studying the case stated that they would convert the policy to single premium mode and wanted the policy document to make necessary endorsements accordingly.

DECISION: The insurer was advised to convert the policy to single premium mode w.e.f the date of commencement of the policy.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. HDFC/156/Mumbai/Chandigarh/22/10
Oma Kanth Vs HDFC Standard Life Insurance Co. Ltd.

ORDER DATED: 17TH AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Smt. Oma Kanth was the policyholder of policy bearing no. 12164447 with HDFC Standard Life Insurance Co. She stated that representative of insurer had cheated her in getting cheque for Rs. 1,99,000 in Sept. 2008 without informing terms and conditions. She did not receive instrument. On repeated requests, she was given duplicate copy on 10.02.09. On 18th Feb 2009, she gave policy for cancellation as she did not agree to the terms of policy. She was assured of refund. On 24th March, 2009, she got a call to receive cheque for Rs. 170,000/- as refund instead of full amount of Rs.1,99,000.

FINDINGS: The insurer clarified the position by stating that the case was in the District Consumer Forum, Ropar. Taking the note of the same it was decided that as case was looked into by District Consumer Forum, Ropar, this forum could not look into the case. The case was closed. After few days a letter was furnished by the complainant stating that they had withdrawn the case from District Consumer Dispute Redressal Forum and a withdrawal letter from the forum was attached. The case was accordingly heard again on 17.08.09 at Chandigarh. The insurer was asked to clarify the position regarding refund of Rs. 199000/- in respect of policy no. 12164447 . They stated that the request for cancellation was received within the free look period and an amount of Rs. 1,70,000/- had been offered to her which she had refused to accept.

The complainant stated that since she was more than 65 years old on the date of insurance she was not insurable. She furnished PAN card as proof of her age which states the date of birth as 02.02.1944. Accordingly she would have been 65 years of age on the next birthday. Hence she was not insurable at the time of commencement of the policy. The policy was therefore void *ab-intio*.

DECISION: The insurer was ordered to cancel the policy *ab-initio* and the amount of premium along with interest @8% pa w.e.f date of commencement of the policy till the date of payment paid to the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/228/Chandigarh/Barnala/22/10
Sh. Kartar Singh VS LIC of India

ORDER DATED : 24TH AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Kartar Singh purchased a policy bearing no. 161928730. He lost his eyesight. He had submitted all the disability claim benefit papers in the branch office but had not received any response from the insurer.

FINDINGS: The insurer stated that the complainant had taken a policy in 1999. In 2001, while spraying pesticide in his field he lost his eyesight. However instead of lodging the disability benefit claim he continued with the policy and paid regular premia, probably on the instigation of the agent who was interested in his commission. He had not submitted the claim form for disability benefit and the medical board certificate regarding his disability.

DECISION: Held that the complainant was advised to fill up the claim form and submit the same along with medical board certificate. The insurer would settle the claim and also refund the premium received after his disability in 2001. The interest for the delayed payment @8% pa would also be paid to the complainant. The interest along with the commission paid to the agent would be recovered from the agent for misguiding the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bajaj Allianz/232/Pune/Chandigarh/22/10
Anoop Madaan Vs Bajaj Allianz Life Insurance Company Ltd,

ORDER DATED : 26TH AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Anoop Madaan invested Rs. 50,000 as one time investment but company had issued policy under regular premium for 15 years. He was not satisfied with the policy and requested for cancellation of the policy within the free look period. He approached the company for cancellation but the company did not act.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal from filled up by the complainant. Although the request was received within the free look period the policy was not cancelled because the complainant working as advisor with the insurer and was aware of the terms and conditions of the policy while filling up the form.

DECISION: Held that the mode of employment of the complainant should not deprive him from the application of provisions of free look period as a policy holder. The insurer was ordered to cancel the policy within the free look period provision as per the IRDA Guidelines

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. ICICI/247/Mumbai/Mohali/22/10
Jarnail Singh Vs ICICI Prudential Life Insurance Co. Ltd.

ORDER DATED: 26TH AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Jarnail Singh purchased a policy bearing no. 06639926 with annual premium of Rs. 50,000/- but he received document with half yearly premium of Rs. 50,000/- which he did not afford. He approached the different offices of company but no result.

FINDINGS: The insurer clarified the position by stating that policy was issued as per the proposal form filled up by the complainant. Request for cancellation was not received within the free look period. Hence policy could not be cancelled.

DECISION: Held that the insurer was advised the convert the policy from half yearly premium mode to yearly premium mode. The complainant was advised to remit a premium of Rs. 50,000 which was due in November 2008.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Kotak Mahindra/236/Mumbai/Kurukshetra/22/10
Sh. Jagtar Singh Vs Kotak Mahindra Life Ins Co. Ltd.

ORDER DATED: 26TH AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Jagtar Singh invested money in single premium in 2 ULIP policies bearing nos. 00708521 and 00708515 in his own name and in the name of his son

but he could know at the time he received a phone call that premium is outstanding and the policies are under regular mode for ten years. He is working as a driver and is not in a position to spare Rs. 2.00 lakhs annually. He had requested for cancellation and refund of amount.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. The request for cancellation was not received within the free look period. Hence the policy could not be cancelled. On a query whether the second premium had been paid the insurer replied in the negative.

DECISION : Held that the complainant is not in a position to pay annual premium of Rs. 2.00 lakhs for 10 years appears taking the income criteria into account. There is an apparent misale of the policy. The insurer was ordered to convert both the policies to single premium mode *ab-initio*.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/251/Shimla/Kangra/22/10
Sh. Jogeshwar Sharma VS LIC of India

ORDER DATED: 31ST AUGUST, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Jogeshwar Sharma purchased a policy bearing no. 152185993 under single premium for 50,000. But the insurer has issued a policy under yearly mode of payment. He had requested to the insurer to change the mode of payment yearly to single premium but he had not received any response from the insurer.

FINDINGS: The insurer stated that the policy was issued as per the proposal form filled up by the complainant. Request for cancellation was not received within the free look period. The policy could not be cancelled. On a query as to what was the annual income of the complainant the insurer stated that it was Rs. 1.20 lakhs.

DECISION: Held that the annual income of the complainant who was a retired person was Rs. 1.20 lakhs. It would not be possible for him to pay Rs. 50,000/- annually it was an underwriting lapse. The insurer was ordered to convert the policy to single premium.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Birla Sun Life/168/Mumbai/Chandigarh/22/10
Arun Kumar Singh Vs Birla Sun Life Insurance Co. Ltd.

ORDER DATED: 4TH SEPTEMBER, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Arun Kumar Singh purchased a policy no. 02880874 with Birla Sun Life Insurance Company. He complained that he received policy on 21.05.09 and on 28.05.09 he requested the insurer to cancel the policy but the insurer refused.

FINDINGS: The insurer clarified the position by stating that there was no record available with them to show that the complainant had applied for cancellation within the free look period. According to their knowledge he had not approached their branch in Mohali. On a query whether he had applied to the insurer in writing the complainant showed the original letter written by him to the insurer in Mohali on 28.05.09 which according to him the branch had not accepted. The insurer contended that the request for cancellation had not been sent through registered post.

DECISION: Held that the contention of the insurer that the policy was not sent by the registered post did not appear correct as the policy document had not specified the mode of giving the request for cancellation. The contention of the complainant that he applied for cancellation on 28.05.09 on the ground that soon after the non acceptance of his request by the insurer a complaint was lodged by the complainant in this forum on 15.06.09. If he could give request for cancellation on 15.06.09 there was nothing to stop him from giving the request on 28.05.09. Giving the benefit of doubt to the complainant, the case would be treated as being a request for cancellation within the free look period. The policy would be cancelled and amount of premium refunded to the complainant

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/268/Gurgaon/Muktsar/22/10
Sarabjit Kaur Vs Aviva Life Ins. Co. Ltd.

ORDER DATED: 17TH SEPTEMBER, 2009

MISCELLANEOUS

FACTS: The complainant Smt. Sarabjit Kaur she was holding a policy bearing no. WTJ1619741 dated 11.07.07. She remitted her renewal premium due in July-08 on 10.08.08 through cheque no. 017258 against receipt from Bank of Punjab. When she approached Aviva Company for remitting 3rd premium due July 09, she was informed that cheque against July-08 stands bounced due to overwriting about which she was never informed. Now she has requested for refund of Rs. 25,000 along with interest.

FINDINGS: The insurer clarified the position by stating that the premium due in July 08 could not be adjusted as there was overwriting on the cheque which was not initialed properly. Hence the policy was in a lapsed condition. They were willing to revive the policy if the premia up to due date was paid with interest.

DECISION: Held that there was a deficiency in service on the part of the insurer in not giving proper communication to the complainant regarding dishonouring of the cheque. The insurer was agreed to revive the policy. The insurer was advised to revive the policy without charging any interest or late fee. The complainant was advised to get the policy revived accordingly. However this offer of no interest/no late fee would be open only upto 15.11.09 after which the insurer is free to take action as per their own rules and regulations

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/264/Mumbai/Chandigarh/22/10
Amin Chand VS Reliance Life Insurance Co. Ltd.

ORDER DATED: 17th SEPTEMBER, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Amin Chand had purchased a policy bearing no. 12900655 on 28.10.08. by paying Rs. 25,000/- for a term of 5 years & premium paying term for 3 years.

But when he received the policy, the premium paying term mentioned was 5 years. He submitted the policy for cancellation on 16.12.08. However the same was denied. He had written several mails to the company but he did not get any satisfactory reply.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. Request for cancellation was not received within the free look period. Hence policy was not cancelled. On a query as to when the policy was received by him the complainant stated that it was received on 08.12.08 and the request for cancellation was sent on 16.12.08.

DECISION: Held that the contention of the complainant that he requested for cancellation of the policy within the free look period was correct. He also had the proposal form requesting for premium paying term of 3 years. Also the policy bond was not received by him after rejection or reduction of premium till date. On the query from the postal authorities it was revealed that the policy document was delivered to the complainant through speed post on 03.12.2008 and this was also within the free look period. The insurer was advised to cancel the policy and refund the premium to the complainant as per IRDA guidelines

CHENNAI

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO(CHN) 21.03.2698/2008-09

N.Kalaiarasi Vs Life Insurance Corporation of India

AWARD No: IO (CHN) L-002/2009-10 dated 30.04.09.

MISC

The complainant had taken an Asha Deep policy for sum assured Rs One lakh commencing from 15.03.03. She underwent surgery for Aortic Valve replacement on 28.09.06 and preferred her claim for 50% of the sum assured under benefit B of 11(b) of policy conditions. The Insurer

rejected the claim stating that the contingency referred to was not covered as per policy condition.

Asha Deep policy provides for additional benefits on the happening of any one of the contingencies referred to in para-11(b) of policy conditions. One of the contingency referred to is "Life Assured undergoes open heart surgery performed on significantly narrowed/occluded coronary arteries to restore adequate blood supply to the heart. All other operations are excluded".

The complainant underwent operation for Aortic Valve replacement which was an open heart surgery and she contended that she was entitled for benefits under 11(b) of policy conditions. She contended that she had coronary surgery performed and was diagnosed as a case of bicuspid aortic valve with severe aortic stenosis. She said that stenosis is a condition in which the aortic valve narrows and this narrowing prevents the valve from opening fully which obstructs blood flow from the heart to Aorta and onwards to the rest of the body. She said that this condition fully satisfies the terms quoted under 11(b).

The insurer argued that the contingency occurred was not covered under policy condition. They confirmed that the decision was taken after consulting their Divisional medical referee who opined that there was no bye-pass surgery performed on coronary arteries as envisaged under condition 11(b)

The policy condition clearly stipulates that there should be an open heart bye-pass surgery performed on significantly narrow/occluded coronary arteries. Whereas the aortic valve is pertaining to aorta, the arteries are vessels through which the blood passes away from the heart to various parts of the body. The Divisional medical referee in his opinion clearly stated that the patient had normal coronary and underwent aortic valve replacement which is not covered under benefit (b). As per the discharge summary the diagnosis was Calcific Aortic stenosis-bicuspid aortic valve and the procedure done was aortic valve replacement. The coronary Angiogram revealed normal coronaries. It was proved beyond doubt that the surgery underwent by the assured does not fall under condition 11(b) of Asha Deep Plan and the assured is not eligible for the benefits there under.

The complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO(CHN) 23.007.2010/2009-10.

V.Manmohan VsMax New York Life Insurance Company Limited

AWARD No: IO (CHN) L-011/2009-10 dated 15.06.09.

MISC

The complainant had taken an Insurance policy from Max New York Life Insurance Company with date of commencement 30.08.07 under yearly mode. He had not received the policy bond despite regular follow up and finally received it on 07.01.09. He requested the Insurer to cancel his policy and refund the premium paid by him on 08.01.09. The Insurer rejected the request of the complainant stating that the request was after the free look period of the policy and hence cannot be considered.

During the hearing the complainant stated that though they were continuously corresponding through post and over phone for the policy bond they were informed on 30.09.08 that the policy was lapsed since the premium payment due had not been paid, further they were informed that the cancellation of the policy was not possible since the free look period was over. He said that the policy bond was received by him on 07.01.09 and he had requested for cancellation of policy on 08.01.09 itself well within the free look period of 15 days.

The subject matter of the dispute is the complainant contends that he requested the insurer for cancellation of the policy during the free look period whereas the Insurer states that cancellation of the policy is not possible since the free look period was over as on the date of receipt of request for cancellation of the policy.

Free look period clause as quoted in the policy bond vide serial no. 26 - under the caption "Policy review period" reads -"You may opt to return the original policy document to the company with a written request for cancellation of the policy within 15 days from the date of receipt of the policy. In such an event the premiums paid, adjusted for any adverse

movement in fund value less charge incurred on medical examination and on account of stamp duty will be refunded without interest.”

In their letter addressed to the policyholder quoting their inability to proceed with the request for cancellation of the policy, the insurer states – “We would like to mention that in order to provide the customer an open and transparent basis for the relationship, even before the law mandated it, Max New York Life Insurance Co Ltd., offered its customers a 15 days free look period within which the policy could be returned by the customer and full premium refunded to the customer”. Here also it is evident that free look period commences only from the date of receipt of the policy by the customer as the policy has to be returned by the customer. The Insurer contended the policy bond under question was delivered to the mother of the complainant on 03.09.07 in support of which they submitted the delivery details received from Blue Dart couriers. The forum pointed that the name of the recipient was mentioned as “Raje V” and not as “Smt. Raji Virbhan”. It was also brought to the notice of the Insurer that the document received by the complainant was original policy bond with policy stamps duly affixed. The Insurer was asked to confirm whether they had any set procedures for issue of duplicate policy. The Insurer was also asked whether the policy stamps had been accounted twice in respect of the policy and to submit proof in this regard.

Considering all these aspects it was deemed that the original policy bond was received by the complainant on 07.01.2009 and since his request for cancellation vide letter dated 08.01.2009 was received by the Insurer on 15.01.2009 well within the Free look period of 15 days commencing from 07.01.2009, the Insurer was directed to cancel the policy and refund the premium subject to recovery as per provisions of Clause No.26 of the policy.

The complaint was allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 23.007.2011/2009-10.

Smt Raji Virbhan Vs Max New York Life Insurance Company Limited

AWARD No: IO (CHN) L-012/2009-10 dated 15.06.09.

MISC

The complainant had taken an Insurance policy from Max New York Life Insurance Company with date of commencement 30.08.07 under yearly mode. She had not received the policy bond despite regular follow up and finally received it on 31.12.08. She requested the Insurer to cancel his policy and refund the premium paid by him on 05.01.09. The Insurer rejected the request of the complainant stating that the request was after the free look period of the policy and hence cannot be considered.

During the hearing the complainant stated that though they were continuously corresponding through post and over phone for the policy bond they were informed on 30.09.08 that the policy was lapsed since the premium payment due had not been paid, further they were informed that the cancellation of the policy was not possible since the free look period was over. She said that the policy bond was received by her on 31.12.08 and she had requested for cancellation of policy on 05.01.09 itself well within the free look period of 15 days.

The subject matter of the dispute is the complainant contends that he requested the insurer for cancellation of the policy during the free look period whereas the Insurer states that cancellation of the policy is not possible since the free look period was over as on the date of receipt of request for cancellation of the policy.

Free look period clause as quoted in the policy bond vide serial no. 26 – under the caption “Policy review period” reads –“You may opt to return the original policy document to the company with a written request for cancellation of the policy within 15 days from the date of receipt of the policy. In such an event the premiums paid, adjusted for any adverse

movement in fund value less charge incurred on medical examination and on account of stamp duty will be refunded without interest.”

In their letter addressed to the policyholder quoting their inability to proceed with the request for cancellation of the policy, the insurer states – “We would like to mention that in order to provide the customer an open and transparent basis for the relationship, even before the law mandated it, Max New York Life Insurance Co Ltd., offered its customers a 15 days free look period within which the policy could be returned by the customer and full premium refunded to the customer”. Here also it is evident that free look period commences only from the date of receipt of the policy by the customer as the policy has to be returned by the customer. The Insurer contended the policy bond under question was delivered to the complainant on 03.09.07 in support of which they submitted the delivery details received from Blue Dart couriers. The forum pointed that the name of the recipient was mentioned as “Raje V” and not as “Smt. Raji Virbhan”. It was also brought to the notice of the Insurer that the document received by the complainant was original policy bond with policy stamps duly affixed. The Insurer was asked to confirm whether they had any set procedures for issue of duplicate policy. The Insurer was also asked whether the policy stamps had been accounted twice in respect of the policy and to submit proof in this regard.

Considering all these aspects it was deemed that the original policy bond was received by the complainant on 31.12.08 and since her request for cancellation vide letter dated 05.01.2009 was received by the Insurer on 13.01.2009 well within the Free look period of 15 days commencing from 31.12.08, the Insurer was directed to cancel the policy and refund the premium subject to recovery as per provisions of Clause No.26 of the policy.

The complaint was allowed.

DELHI

Case No.LI/JP/29/08
In the matter of Smt. Santra Devi
Vs
Life Insurance Corporation of India.

MISC

ORDER dated 06.04.2009

Smt. Santra Devi has made a complaint to this Forum on 08.11.08, against LIC of India DO- Jaipur for nonpayment of Double Accident Benefit Claim of her husband Late Shri Mevaram Chaudhary under policy no. 195300488.

On intervention of this office, we have been informed by Life Insurance Corporation of India that claim of Smt. Santra Devi has been settled for Rs.70,000/- vide cheque no. 666666 dated 12.03.2009 drawn on Punjab National Bank, Sambhar Lake. Smt. Santra Devi has also confirmed the receipt of cheque and she has expressed her intention to withdraw her complaint against LIC of India.

There is no further relief to be granted to the complainant.
The complaint is disposed of finally.
Copies of the Order to both the parties.

Case No. LI/HDFC/78/08
In the matter of Shri Yogesh Kumar Garg Vs
HDFC Standard Life Insurance Company Limited

ORDER dated 08.04.2009 **MISC**

Shri Yogesh Kumar Garg made a complaint in relation to policy No.10822340 which is a Unit Linked Young Star Plan. The policy was taken on 19.12.2006. It is submitted before me that at the time of taking the policy the condition of charges for mortality was not mentioned to him though the same finds place in the proposal form. It is alleged that this proposal form was not signed by Shri Garg but by someone else in the Insurance Company itself. Accordingly, he wants the policy to be scrapped as this was a case of mis-selling.

Mrs.Mandakini Sharma, the representative of the Insurance Company contested that had it been a case of mis-selling, Shri Garg would not have paid two premiums without noticing this important conditionality considering the fact that he himself was a DGM in a public sector undertaking having qualification of B.Com, LLB, FICWA, FCS. She argued

that if we go by pre-ponderance of probability, Shri Garg's assertion that he was not briefed about this important conditionality of the policy cannot be accepted considering the educational qualification and time gap in discovering the matter.

Mrs. Sharma showed me different correspondences where Shri Garg had signed in different shapes. As such, she argued that merely because on particular proposal form, signature appeared to be somewhat different in shape would not by itself prove that there was a forgery.

Crux of the matter is whether Shri Garg's signature was really forged on the proposal form. If it is so, policy itself would be invalid. But considering that only a qualified expert like Examiner of Questioned Documents can come to a conclusion regarding forgery of signature and that it will be a time consuming process, both the parties agreed that the policy can be scrapped and the amount of premium can be paid back to the policy holder. Though Shri Garg argued that he should be paid interest on the premium amount to be refunded to him, the representative of the Insurance Company, Smt. Sharma, vehemently opposed it reiterating her claim that a highly qualified person in finance field could not have forgotten about his policy for two years and therefore, there was indeed failure on his part too. Finally, both the parties have agreed that the premium paid would be refunded to the policy holder **without** interest.

It is accordingly directed that the premiums paid by the policy holder should be paid back to him **without interest** by 10.05.2009.

The complaint is disposed of finally.

Copies of the Order to both the parties.

Case No. LI/HDFC/75/08
In the matter of Mrs. Poonam Bhatti Vs
HDFC Standard Life Insurance Company Limited

ORDER dated 08.04.2009 **MISC**

1. Smt.Poonam Bhatti took a policy No.11254639 on 28.08.2007 and had paid one premium of Rs.15000/- on 21.08.2007. She claimed that she did not receive the policy document. The period was actually 10 years whereas at the time of selling the policy, it was told to her that it was only for three years. Being dis-satisfied about the period of the policy, that is, 10 years, she has requested for scrapping the policy and pay back the premium with interest.
2. Before me, it is submitted on behalf of the Insurance Company that before the Insurance authorities, the grievance was that she has not received the policy. There was no allegation of mis-selling and, therefore, the Insurance Company was not inclined to pay back the premium paid.

3. At the time of hearing, Shri Narotam Singh, the representative of the complainant, submitted a copy of the letter dated 04.02.2008 which speaks of complaint of mis-selling. This was shown to the Mrs. Mandakini Sharma, the representative of the Insurance Company. On a query whether intermediary's role was investigated, Mrs. Sharma stated that it must have been so. She refers to the Insurance Company's letter dated 02.04.2008 where the Insurance Company informed Smt. Poonam Bhatti as under:

“We wish to inform you that, on conducting the necessary investigation with HDFC Bank, it has been confirmed that all the features of the aforesaid policy was explained to you at the time of taking the policy.”

She also informs that the Insurance Company had offered the policy holder to issue of a duplicate policy on production of Indemnity Bond cost of which the Insurance Company agreed to bear but the policy holder has not responded.

It is reiterated before me by policy holder's husband that they would need money to solemnize their daughter's marriage and with that planning, she accepted the proposal when it was told to her at the time of selling the policy that the policy was for three years. She was never told that it was for 10 years. Had it been told so, she would not have taken the policy at all because the money was required for the daughter's marriage which will not wait for 10 years.

I have considered the submissions made before me. Though in the letter dated 02.04.2008 addressed to the policy holder, it is mentioned that necessary investigations with HDFC Bank had been conducted; no details are available about the same. It appears that there was someone Smt.Sneha Arora who was an intermediary and there is no detail before me that enquiries were conducted with Smt. Sneha Arora in this regard.

At the time of hearing, Smt. Mandakini Sharma, the representative of the Insurance Company agreed that the premium of Rs.15000/- paid by Smt. Poonam Bhatti will be refunded to her if it is so decided. Policy holder's husband demanded that interest should be paid thereon. Smt. Sharma stated that the Company will not be in a position to pay interest exceeding 4%.

Considering the totality of circumstances, it is directed that the sum of Rs.15000/- representing the premium payment will be paid back by the Insurance Company to Smt. Poonam Bhatti with interest at the rate of 4% from the date of payment of premium. The amount should be paid to Smt.Poonam Bhatti by 10.05.2009.

The complaint is disposed of accordingly.

Copies of the Order to both the parties.

Case No.LI-DL-I/94/08
In the matter of Ms. Mohini Makhijani
Vs
Life Insurance Corporation of India

ORDER dated 17.04.2009 **MISC**

1. The only issue involved in this case is regarding non receipt of payment of Rs.10,000/- due to the policy holder in the month of September 1993 in terms of the Money Back Insurance policy taken by her.
2. Before me Shri R.K. Srivastava, Manager (Legal & HPF) of the Insurance Company submitted that the cheque was issued in favour of the policy holder on 22.09.1993. He produces before me the register which indicates issue of the cheque on the same day. He pointed out that subsequent three payments have also been made to the policy holder in 1998, 2003 and finally on 22.09.2008. On behalf of the policy holder, Shri Ashok Gupta who appeared submits that the policy holder had not received the cheque and this was brought to the notice of the Insurance Company on 15.09.1999 and several other letters were issued thereafter. They had made at least 20 visits to the Insurance office but to no avail.
3. I find in the register produced before me, no doubt there is indication that the cheque was issued for Rs.10 thousand on 31.03.1994 but it bears no signature of the policy holder or his representative evidencing receipt of the cheque. On the other hand the policy holder has written to the Insurance Company several letters without positive response.
4. In the above circumstances it is directed that the cheque should be issued a fresh to the policy holder on obtaining the Indemnity Bond from her as per the procedure laid down as applicable in such circumstances.
5. The payment should be made by 15.05.2009.

Case No.LI-HDFC/43/09
In the matter of Smt. Ipsita Dass
Vs
HDFC Standard Life Insurance Company Limited

MISC

ORDER dated 24.04.2009

1. Smt. Ipsita Dass has made a complaint to this Forum on 02.03.2009, against HDFC Standard Life Insurance Co. Ltd for non cancellation of policy under policy no. 12453465.
2. On intervention of this office, we have been informed by the Insurance Company vide their letter dated 14.04.2009 that the premium has been refunded to Smt. Ipsita Dass vide cheque no. 337657 dated 12.03.2009 for Rs.29,949.69/- drawn on HDFC Bank Limited.
3. There is no further relief to be granted to the complainant.
4. The complaint is disposed of finally.
5. Copies of the Order to both the parties.

Case No.LI-HDFC/20/09
In the matter of Shri Bipin Kumar
Vs
HDFC Standard Life Insurance Company Limited

MISC

ORDER dated 24.04.2009

1. Shri Bipin Kumar has made a complaint to this Forum on 04.02.2009, against HDFC Standard Life Insurance Co. Ltd for non cancellation of policy under policy no. 12178549.
2. On intervention of this office, we have been informed by the Insurance Company vide their letter dated 18.03.2009 that the premium has been refunded to Shri Bipin Kumar vide cheque no. 060045 dated 13.03.2009 for Rs.5,98,988.96/- drawn on HDFC Bank Limited, Mumbai.

3. Shri Bipin Kumar has also requested for interest for delayed refund of the premium. Again the Insurance Company has informed this forum vide their letter dated 22.04.2009 that payment towards interest has been made to Shri Bipin Kumar for Rs.11000/- vide cheque no. 390305 dated 15.04.2009 drawn on HDFC Bank Limited, Mumbai.
4. There is no further relief to be granted to the complainant.
5. The complaint is disposed of finally.
6. Copies of the Order to both the parties.

Case No. LI/DL-I/01/09
In the matter of Shri Joginder Ahluwalia Vs
Life Insurance Corporation of India

AWARD dated 14.05.2009

MISC

1. Policy holder had taken a policy called Jeevan Akshay VI, which is a pension plan, on 21.11.2007. He had opted for policy option B where interest was payable @ 10% as annuity till death. On death, the onetime premium paid was to be forfeited in favour of LIC of India. Policy holder's grievance is that he was misguided by the agent. The agent Shri Gopal Jha has told him that he can prematurely terminate the policy giving 15 days notice and receive back the premiums paid. This appeared to be an attractive plan on such assumption. But later on, he discovered that he cannot get back his money which will be forfeited on his death. On 04.08.2008, he wrote to LIC of India to cancel the policy prematurely and to refund the money, that is, Rs.5,00,000/-. Since this plea was rejected by LIC of India by letter dated 11.11.2008, he has requested for change of option from Option B to Option F which provided annuity @ 7% and refund of money invested by the nominee after death. This has been accepted by LIC of India.
2. Presently the policy holder reiterates the request that the policy should be terminated and money should be refunded to him because it was a case of mis-selling. It is argued that policy holder is a retired Central Government Officer who had deposited his life savings and retirement dues in the post office @ 8% rate of interest. On false assurances given by the agent, he had withdrawn this money from the post office and had deposited with LIC of India. He wants his money back since in any of the option, option B or option F, the money invested will not be returned to him during his life time. In option B, it is completely lost and in option F also it goes only to the nominee after his death. The complainant's son who appeared before me also prayed for action against the agent Shri Gopal Jha for misleading his father and making false promises not permissible within the relevant policy conditions. He also pleaded that considering age of the complainant who is already 67 years old, the request for cancellation of the policy should be granted.

3. On the other hand, Shri R.K.Srivastava, representing LIC of India, argued that since LIC of India had already agreed to his request for change of option from Option B to Option F, the complainant cannot have any grievance. He further submitted that there is no evidence of mis-selling.
4. I have considered the submissions made by both the sides. I do not agree with the view expressed by the officer representing LIC of India that since the complainant had asked for a change over from policy option B to option F and the same was already permitted by LIC of India, the complainant's grievance becomes non-entertainable. In fact, as records would show, on 04.08.2008, the complainant had asked for refund of money. Since it was rejected by LIC of India by letter dated 11.11.2008, as the next best thing available under the compulsion of circumstances, he had asked for change over from policy option B to policy option F which has been permitted by LIC of India. Therefore, the grievance still persists since the complainant still insists for cancellation of the policy and refund of his money. Since, as per his submissions, he has been mis-informed and mis-guided by the agent by giving false assurances. This brings us the issue as to whether there is indeed a mis-selling in this case.
5. The representative of LIC of India has argued that there is no evidence of any mis-selling and since proposal has been signed and policy has been delivered, it is presumed that the policy holder was consciously entering into the contract with LIC of India.
6. In my opinion, ink of the print or dictionary is not the last word for settling complicated problems of life. There is always a contextual meaning to situations and events. The circumstances leading to a contract are recognized by law as relevant to determine its validity.
7. Mis-selling is a fact of life. This problem is being debated in different forms in insurance sector and other authorities. Since tape recording of conversation alone could provide what advice was given by the agent to the policy holder and there may not be any other documentary or oral evidence to substantiate such a charge the complainant would naturally be handicapped in proving his claim with solid evidence. As such, in my opinion, it is necessarily to be decided by pre-ponderance of probability taking into account the relevant circumstances and connected facts.
8. Coming to the instant case, I find the complainant had retired from government service. The last post held by him was Additional Private Secretary to the Secretary, Planning Commission. He had invested his retirement dues to the tune of Rs.5,00,000/- in the post office under Monthly Income Scheme which gave him a return of 8% per annum while investment remained secure. On the advice of Shri Jha, the agent, he transferred this money to invest in Jeevan Akshay policy which was described to him as LIC's senior citizen Scheme assuring him return @ 11% per annum with further assurance of refund of sum invested whenever he required in future. The investment was in policy Option B of the Jeevan Akshay policy which

actually gives a return @ 10% but on death the amount of investment was forfeited in favour of LIC of India. Now going by pre-ponderance of probability, would any sensible man agree to lose the entire money of Rs.5,00,000/- for the sake of marginal higher rate of interest than what he was earning from post office. I feel, no one with average common sense would agree to such a proposition, therefore, I am inclined to conclude going by pre-ponderance of probability that this indeed is a case of mis-selling.

9. The other policy option, that is, policy option F was only asked for as the other preferable option compelled by the fact that LIC of India had refused to accede to his request for cancellation of the policy and refund of the money. What any man would do in such circumstances? Therefore, that later he had opted for Option F is no adequate consolation.
10. As I have stated earlier, it appears to be a clear case of mis-selling and, therefore, the contract, that is, policy dated 21.11.2007 is ab-initio void. It is directed that this policy should be cancelled and amount invested by Shri Joginder Ahluwalia should be refunded to him. The payment should be effected by 15.06.2009. The compliance of Award shall be intimated to my office for information and record.
11. Copies of the Award to both the parties.

Case No. LI/Aviva/95/08
In the matter of Shri Santosh Jha Vs
Aviva Life Insurance Company Limited

ORDER dated 18.05.2009 **SURRENDER**

1. Shri Santosh Jha had bought following four Unit Linked Insurance Plan of Aviva Life Insurance Company Limited in the year 2006 through their agent Centurion Bank of Punjab.

<u>Policy dated/Date of Issue</u>	<u>In the name of</u>
1. 21.02.2006	Shri Santosh Jha
2. 23.05.2006	Shri Santosh Jha
3. 31.08.2006	Smt. Renu Jha – wife
4. 04.09.2006	Shri Santosh Jha

While the first three policies were lifelong policies, the fourth policy mentioned above was a safeguard policy with a fixed paid premium.

2. It is Shri Jha's complaint that he was mis-informed about these policies on the following significant aspects:

- (i) That he was informed that policy tenure was only for 3 years and after that no premiums are to be paid.
- (ii) That he was told that only three instalments were to be paid and total fund value on the particular day (after three years) can be received back without any deduction, that is, (no surrender charges).

But later on, he came to know from one article published on Unit Linked Insurance Plan that above assurances were incorrect. Accordingly, he requested for cancellation of these policies and refund of the premiums paid which altogether amounted to Rs.3,68,000/-without any deduction for surrender charges.

3. At the time of hearing, Shri Jha submitted that the key feature documents which should necessarily be given to the policy holder were not given to him. Secondly, he pointed out that only after IRDA's guidelines in 2006, surrender charges were being mentioned by the Insurance Companies in the key feature documents/policies and prior to these guidelines, the Insurance Company used not to mention the same. In these insurance policies, he claimed, there is no mention of any surrender charges. Accordingly, he submits that without deducting any charges, the amounts invested by him in these policies by way of payment of premiums should be refunded to him.

4. The Officer representing the Insurance Company Shri A.Dasgupta, Asstt. Manager submitted that objections, if any, to the policy conditions could have been raised only within the free look period of 15 days after receiving the policies and since this period was over, any cancellation of the policy was not possible. He however, pointed out that after completion of three years, the policy holder can ask for surrender of these policies subject to the terms and conditions. He pointed out that for the first two policies, already three years were over and for the 3rd one, the policy holder would be entitled for surrender with effect from 01.09.2009 onwards. With regard to the last policy, which was taken on 04.09.2006, he pointed out that policy had lapsed due to nonpayment of premium and, therefore, surrender of the policy cannot be permitted. However, it can be revived if the policy holder so desires. On the allegation of mis-selling, Shri Dasgupta argued that there was no evidence for the same. In his view it was improbable considering that the agent was a bank and not an ordinary agent and the policy holder was highly educated who is supposed to exercise necessary care and caution while taking the insurance policy.

5. Shri Jha, at the time of hearing, reiterated his arguments that key feature documents were not made available to him.

6. I have considered the submissions made by both the sides. No proof is actually submitted with regard to the delivery of key feature documents to the policy holder with regard to the first three policies. As such, it is possible that the policy holder did not know about the key features of the policies. I find the first two policies are already due for surrender since three years are over. The 3rd policy issued on 31.08.2006 is not far away from the date entitling the policy holder to claim surrender, that is, 01.09.2009. Considering the key feature documents were not delivered to the policy holder for these three policies the policy holder should be

allowed to surrender the policies. There should be no deductions towards surrender charges while determining the surrender value. However, I am hastening to add whether surrender may be availed or not should be the option of the policy holder.

7. As regards, the 4th policy, since it has lapsed, no surrender can be permitted. However, Shri Jha has the option of reviving the policy if he so desires.
8. Copies of the Order to both the parties.

Case No .LI/Max New York/98/08
In the matter of Shri Anshul Aggarwal
Vs
Max New York Life Insurance Company Limited

AWARD dated 20.05.2009 MISC

1. Shri Anshul Aggarwal's grievance is that the Insurance Company has not acceded to his request for cancellation of his policy no. 340028745, even though as per his claim, he had made this request within the look-in-period of 15 days. The Insurance Company claims that such request made is beyond the look-in-period. The issue therefore boils down to determination of correct look-in period.
2. The proposal for the policy was made on 31.07.2008. Insurance Company claims that policy taken was dispatched from their Head Office in Gurgaon to the Branch Office in Nehru Place, Delhi on 05.08.2008. It is claimed that this document was sent to the policyholder's residential address. But on 09.09.2008, the policyholder informed the Company that he had not received his policy document. Accordingly the Company issued the duplicate policy document on 09.09.2008. After receipt of this duplicate document, the policyholder applied for cancellation on 17.09.2008 i.e. within 15 days of receipt of the duplicate policy. Accordingly it is his claim that the request for cancellation is within the look-in period.
3. Company representative who appeared at the time of hearing suggested that since the policy document was dispatched on 05.08.2008 to the branch office, it should have reached the policy holder (who is an ex-employee of this Insurance Company) within 3-4 days and as such the application for cancellation of the policy was beyond the look-in period. It is argued that only **duplicate** policy was issued on 09.09.2008 when the policy holder asked for it. That date therefore, not being the date of receipt of original policy document should not be treated as relevant for the purpose of determination of look-in period. However, the Insurance Company did not have any specific evidence on their records for delivery of the original policy document to the policyholder.

4. I have considered the submissions made by both sides. In absence of any evidence for delivery of original policy document to the policy holder, I am inclined to accept the policyholder's plea that the first policy document that he received was on 09.09.2008. Accordingly, I am of the view that the application for cancellation made on 17.09.2008 was within the look-in period. As such it is directed that policy should be cancelled and premium paid should be refunded to the policy holder.

Case No. LI/HDFC/110/08
In the matter of Shri Kamlesh Behari Lal Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 01.06.2009 **MISC**

1. Shri Kamlesh Behari Lal had taken two policies No.10137433 and 10134559 on 13.12.2004 and 15.12.2004 respectively. These were single premium whole life policies. When the policy holder complaint that it was a case of misselling and he was misled on the salient features of the policies, the Insurance Company cancelled the policies on 23.06.2006 even though this was after 16 months and clearly beyond the free look period of 15 days. The premium amounts paid, that is, Rs.1,50,000/- and Rs.1,25,000/- have been refunded back to the policy holder.
2. Presently, the policy holder claims that for the intervening period when the policies subsisted, he should be paid the bonus and interest accruing on the policies.
3. Before me the representative of the Insurance Company Shri Gulzar Hussain submitted that only to buy peace and to ameliorate the feeling of discontentment in the mind of the policy holder, the request for cancellation of the policies was acceded to even if this was beyond the free look period of 15 days. This was not an admission of missale. For missale no evidence was available. He argued that since policies were cancelled there was no question of giving bonus or interest as demanded by the policy holder.
4. On the other hand the policy holder submitted that he was clearly misled on the salient features by the agent of the Insurance Company and therefore, for no fault of his own, he should not be denied the benefit of bonus and interest.
5. I have considered the submission made by both the sides. It is clear that the request for cancellation was submitted much after the free look period. If there would be indeed a misselling, it does not appeal to reason why the policy holder took so much of time to discover the same. Therefore, there is a gray area as to whether it was a cause of misselling indeed or it was a mere case of rethinking and subsequent dawning of wisdom. The policy holder has indeed no enforceable right for cancellation of the policies since these were also beyond the free look period.

However, the Insurance Company has only been large hearted to accede to his request.

6. In the above back ground, I am of the view that the policy holder claim for bonus cannot be acceded to. However, since the premium amounts paid remained in the coffers of the Insurance Company and the policy holder was deprived of the benefit of any return there from by way of interest or otherwise, I am of the opinion that as a compensatory measure for deprivation of money for the above period, he should be granted interest @ 8% from the date of payment of premium till the date of refund of the premium. The complaint is disposed of accordingly. The compliance of the Award shall be intimated to my office for information and record.
7. Copies of the Award to both the parties.

Case No.LI/HDFC/04/09
In the matter of Shri Akil Bharti
Vs
HDFC Standard Life Insurance Co. Ltd.

ORDER dated 08.06.2009 **MISC**

1. The grievance relates to the policy holder's request for cancellation of the above policy within the free-look period. The Insurance Company i.e. HDFC Standard Life Insurance Co. Ltd. vide his letter dated 22.02.2009 addressed to the policy holder has acceded to the request and they have requested him to submit the necessary policy document for cancelling the policy. Copy of this letter is submitted before me.
2. Since the Insurance Company has now agreed to cancel the policy, there should be no cause for grievance.
3. The petition is accordingly dismissed.

Case No. LI/Birla/16/09
In the matter of Shri Sameer Seth
Vs
Birla Sun Life Insurance Company Limited

AWARD dated 08.06.2009 **MISC**

1. The only issue involved in this case is whether the request for cancellation of the policy no. 001787889 was within the free look period. The policy was issued on 21.06.2008 and the request for cancellation of the policy was made on 14.07.2008. It is the policy

holder's claim that this policy was delivered to him from the agent on 03.07.2008. If this is true the request for cancellation is very much within the free look period. But the Insurance Company states that it was delivered to him on 26.06.2008. The copy of the courier (Blue Dart) confirmation letter is filed with me, which shows that this was delivered on 26.06.2008 at 14.10 hrs. to one Shri Dhani Ram. If the date of delivery is 26.06.2008, the request for cancellation is marginally beyond the free look period. In that case the period ends on 11.07.2008, whereas the request for cancellation is made on 14.07.2008 i.e. three days beyond the free look period. Issue in this case, therefore is what was the correct date of delivery of the policy document from which the free look period will be computed.

2. At the time of hearing the policy holder states that courier confirmation was wrong. Dhani Ram was not his family member. Neither he knows anybody called Dhani Ram. The representative said that this was delivered at the last known address and therefore should be treated as proper delivery.

3. I have considered the submissions made by both the sides. The delivery is always made to a person at given address. If it is delivered at the correct address but to a wrong person it could not be treated as proper delivery. Going by the confirmation of Insurance Company's own courier i.e. Blue Dart, this appears to be a case of delivery to a wrong person. Therefore I do not take it as proper delivery.

4. As such I am inclined to accept the policyholder's statement that, the policy is delivered to him on 03.07.2008. Accordingly it is directed that policy should be cancelled and the amount should be refunded to the policy holder as would be due to him as per the terms and condition of the policy.

Case No.LI/HDFC/48/09
In the matter of Sh. Bharat Singh Rawat
Vs
HDFC Standard Life Insurance Co. Ltd.

ORDER dated 10.06.2009 **MISC**

1. Sh. Bharat Singh Rawat has made a complaint to this Forum on 02.03.09, against HDFC Standard Life Insurance Co .Ltd. for Mis-selling of Policy under policy no. 12044402.

2. On intervention of this office, we have been informed by HDFC Standard Life Insurance Co. Ltd. that the amount of Rs.30320.66/- has been paid to Shri Bharat Singh Rawat vide cheque no. 377409 dated 18.05.2009 drawn on HDFC Bank, Mumbai.

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

4. The complaint is disposed of finally.

5. Copies of the Order to both the parties.

Case No. LI/Met/13/09
In the matter of Shri Mahendra Singh & Ajit Singh
Vs
Met Life Insurance Limited

AWARD dated 10.06.2009

MISC

1. Shri Mahendra Singh had taken two policies one in his name i.e. policy no. 1200800600107 and the second policy was taken in name of his son Shri Ajit Singh policy no. 1200800596543, for the sum assured of Rs.50,000/- each. Within free look period Shri Mahendra Singh wanted the first policy to be cancelled. Accordingly the Insurance Company cancelled the policy and paid back the sum of Rs.48017/- as against premium paid amounting to Rs.50,000/-. Shri Mahindra Singh is aggrieved by this deduction of about Rs.2000/-.

2. Though Insurance Company was asked to give the details of the deduction, no details have been submitted.

3. It is directed that the Insurance Company should check their records and give the details of the deduction to Shri Mahendra Singh. Needless to say any deduction is to be determined in terms of the relevant conditions of the policy. If there is any violation same should be corrected and statement should be submitted to the policy holder. In case the policy holder is dissatisfied he is free to approach the Ombudsman.

4. As regards the other policy no. 1200800596543 which was issued on 01.07.2008, the policy holder claims that on 09.07.2008 i.e. within the free look period, he made an application for cancellation of the policy. The Company however, has not responded. The representative of the Insurance Company who appeared before me submits that no such request has been received.

5. The policyholder was present at the time of hearing. He submitted the copies of the e-mail sent by Axis Bank (who was the agent of the Insurance Company) to the Company's office confirming that the request for cancellation was on 09.07.2009 and repeatedly reminding the Company to attend to such request.

6. On perusal of the copies of these e-mails messages, I have no doubt in my mind that indeed for cancellation of this policy also, the request was made on 09.07.2008 i.e. during the free look period. Since Axis Bank is their authorized agent, the Insurance Company cannot take the plea that they were unaware of such request, when there have been so many reminders from Axis Bank to the Insurance Company to do the needful in the matter.

7. It is directed that this policy (no. 1200800596543) should also be cancelled and the amount due to the policy holder should be refunded by 15.07.2008.

Case No. LI/Birla/17/09
In the matter of Ms. Priti Mehta
Vs
Birla Sun Life Insurance Company Limited

AWARD dated 10.06.2009 **MISC**

1. Ms. Priti Mehta had taken a policy no. 001644873. The policy document was delivered to her on 08.04.2008. Vide her letter dated 21.10.2008 she requested for cancellation of policy. This has not been acceded by the Insurance Company since it is beyond the free look period.

2. In her complaint before Ombudsman she claims that she was misled on the core conditions of the policy. Her father Shri P.R. Mehta who appeared before me submits the copy of the receipt issued by the agent on receipt of the first premium i.e. Rs.15000/- by cheque. Copy of this receipt shows that the annual policy premium was Rs.50000/-. The sum received by the agent on that date i.e. 31.03.2008 was Rs.15000/- by cheque. The period of the policy was to be 15 years as the relevant box is tick marked in the receipt. Earlier ticking on the box showing 10 years period has been struck off. Sum assured is shown to be Rs.5 Lacs.

3. It is submitted before me that when she received the policy document, she found that the total annual premium was mentioned to be Rs.60000/-. Further, though the impression was given at the time of selling that it would be annual premium but actually the policy conditions stipulated that the premium should be paid quarterly. Accordingly apparently taking the initial payment of Rs.15000/- as a quarterly premium Insurance Company has fixed, total premium to be paid every year at Rs.60000/-. It is argued before me that on the basis of wrong information Insurance Company has sold the policy.

4. At the time of hearing the copy of the chart supposedly issued by Birla Sun Life Insurance Co. Ltd. is submitted before me, which shows the Scheme of return. It is also stated at the time of hearing that both the signatures that of the policy holder and the agent on behalf of the Company are forged. It is argued that she was given this policy on total wrong information given to her which amounts to mis-selling.

5. On the other hand, the Insurance Company representative submitted that all the relevant information were given to the policy holder and these marginal variations with regard to the period, payment of premium or marginal variations in quantum were not fatal to the policy. Since already amount of Rs.15000/- was received accordingly the total annual premium was shown at Rs.60000/- in the policy document, instead of fixing the quarterly premium at Rs.12500/- (keeping the total annual premium figure intact at Rs.50000/- as shown in the initial receipt).

6. I have considered the submissions. Indeed there are certain variations which affect the core conditionalities. Though the policy was supposed to be taken for 15 years, as would be seen from the receipt by the agent, in the policy document it has been made as 20 years. There is also a correction done in the receipt. Originally policy period was for 10 years but later the box meant for 15 years is ticked. Similarly though the policy holder was only 25 years old at the time of opting for the policy, her date of birth being 25.10.1983, in the receipt the age group is mentioned to be 46-50 years. Major issue is regarding period of maturity of policy. The policy holder has thought that it is 10 years. But in the copy of receipt it is mentioned as 15 years and in the policy document it is shown as 20 years. This indeed a very core fact with reference to any policy, and there is indeed mis-selling, on this aspect.
7. Accordingly I hold that, she is entitled to get her policy cancelled even if the formal application is beyond the free look period.
8. The Insurance Company is directed to cancel the policy and refund the amount due.

Case No. LI/Reliance/02/09
In the matter of Ms.Manju Arora Vs
Reliance Life Insurance Company Limited

AWARD dated 10.06.2009 **MISC**

1. Smt. Manju Arora had taken insurance policy No.12193366 from the Reliance Life Insurance Company Limited on 10.07.2008. As per her claim, she was misled about the core matters of the policy and on such discovery she had requested for cancellation of the policy by way of handing over the policy document to Shri Rahul Kohli, Sales Manager on 25.07.2008. Since no reply was received from the Insurance Company, she again approached personally Shri Rajesh Chauhan, Branch Manager at their office at Pitam Pura, Delhi to pursue the matter. The complainant writes that Shri Chauhan along with other officials assured her that she needs not to worry about the cancellation of the policy. Other officials also gave her the impression that Shri Chauhan had powers to cancel the policy within 45 days. Subsequently she also sent a letter on 01.09.2008 for cancellation of the policy. To this the Insurance Company had replied in the negative stating that the request for cancellation has been received them on 04.09.2008 which was beyond the free look period. The Insurance Company has returned the policy document to the complainant.

2. The complainant in her petition writes that she was misled by Sales Manager Shri Rahul Kohli while selling the policy. She was given the impression that if annual premium of Rs.15000/- is paid regularly on a policy of Rs.1,50,000/- for three years and it is continued thereafter, at the end of 5th year, an amount of Rs.89231/- shall be paid to her as surrender value. She also writes that the Insurance Company had also assured annual growth rate of 25%. It is stated that the Insurance Company officials showed some chart regarding the insurance plan showing the payment of premium only for 3 years and surrender value at the end of different years. This was misleading since this was at variance with the policy conditions. Accordingly, she was dis-satisfied and wanted the policy to be cancelled in the free look period. Apparently, she had received the policy document on 15.07.2008 and therefore, the free look period ended on 30.07.2008.
3. No one appeared on behalf of the Insurance Company.
4. Shri Surinder Arora represented the case on behalf of the complainant. He reiterated the points submitted in the complaint letter. The copies of the chart supposedly shown to her at the time of selling the policy are also submitted for my perusal.
5. Though the Insurance Company refers Smt.Arora's letter received by them on 04.09.2008, there is no denial of the fact that the policy was handed over to Shri Rahul Kohli on 25.07.2008. Subsequently, a letter was issued by the policy holder which was received by the Insurance Company on 04.09.2008. In their correspondences also the Insurance Company is not mentioning that the policy document was received with that letter. Only the letter is referred to.
6. Considering these circumstances and especially the fact that there is no denial by the Insurance Company of receiving the policy on 25.07.2009, I am inclined to conclude that the policy document was indeed handed over on that day with a request for cancellation of the policy especially when Insurance Company is unable to show how and when the policy document otherwise came to their possession. Since it is within the free look period, the Insurance Company should have cancelled the policy and refunded the amounts as is due to the policy holder in terms of policy conditions.
7. Accordingly it is directed now that the Insurance Company will cancel the policy and refund the amount due to the policy holder. The compliance of the Award shall be intimated to my office for information and record by 30.06.2009.
8. Copies of the Award to both the parties.

Case No. LI/Reliance/03/09
In the matter of Shri S.N.Adhikary Vs
Reliance Life Insurance Company Limited

AWARD dated 10.06.2009 **MISC**

1. Shri S.N. Adhikary had taken insurance policy No.12193374 from the Reliance Life Insurance Company Limited on 10.07.2008. As per his claim, he was misled about the core matters of the policy and on such discovery he met Sales Manager of the Insurance Company Shri Rahul Kohli on 25.07.2008 and had requested for cancellation of the policy. The policy document was returned to him on that day. Since no reply was received from the Insurance Company, he again approached personally Shri Rajesh Chauhan, Branch Manager at his office at Pitam Pura, Delhi to pursue the matter. The complainant writes that Shri Chauhan along with other officials assured him that he need not to worry about the cancellation of the policy. Other officials also gave him the impression that Shri Chauhan had powers to cancel the policy within 45 days. Subsequently he also sent a letter on 01.09.2008 for cancellation of the policy. To this the Insurance Company had replied in the negative stating that the request for cancellation has been received them on 04.09.2008 which was beyond the free look period. The Insurance Company has returned the policy document to the complainant.
2. The complainant in his petition writes that he was misled by Sales Manager Shri Rahul Kohli while selling the policy. He was given the impression that if annual premium of Rs.20000/- is paid regularly on a policy of Rs.4,00,000/- for three years and it is continued thereafter, at the end of 5th year, an amount of Rs.1,23,749/- shall be paid to him as surrender value. He also writes that the Insurance Company had also assured annual growth rate of 25%. It is stated that the Insurance Company officials showed him some chart regarding the insurance plan showing the payment of premium only for 3 years and surrender value at the end of different years. This was misleading since this was at variance with the policy conditions. Accordingly, he was dis-satisfied and wanted the policy to be cancelled in the free look period. Apparently, he had received the policy document on 15.07.2008 and therefore, the free look period ended on 30.07.2008.
3. Shri Hari Shanker, ZBS-North was present on behalf of the Insurance Company.
5. Shri Surinder Arora, represented the case of the complainant. He reiterated the points submitted in the complaint letter. The copies of the chart supposedly shown to the policy holder at the time of selling the policy are also submitted for my perusal.

5. Though the Insurance Company refers Shri Adhikary's letter received by them on 04.09.2008, there is no denial of the fact that the policy document was handed over personally to Shri Rahul Kohli on 25.07.2008. Subsequently, a letter was issued by the policy holder which was received by the Insurance Company on 04.09.2008. In their correspondences also the Insurance Company has not mentioned that the policy document was received with that letter. Only the letter is referred to.
6. Considering these circumstances and especially the fact that there is no denial by the Insurance Company of receiving the policy on 25.07.2009, I am inclined to conclude that the policy document was indeed handed over on that day with a request for cancellation of the policy especially when Insurance Company is unable to show how and when the policy document otherwise came to their possession. Since it is within the free look period, the Insurance Company should have cancelled the policy and refunded the amounts as is due to the policy holder in terms of policy conditions.
7. Accordingly it is directed now that the Insurance Company will cancel the policy and refund the amount due to the policy holder. The compliance of the Award shall be intimated to my office for information and record by 30.06.2009.
8. Copies of the Award to both the parties.

Case No. LI/DL-II/73/09
In the matter of Smt.Vibha Devi Vs
Life Insurance Corporation of India

ORDER dated 11.06.2009 MISC

1. Only grievance of the policy holder is that inspite of going round, round and round the LIC's office, she has not received the LIC policy bond for policy No.121854780.
2. At the time of hearing, it was stated that the policy bond was delivered to a wrong person. However, in my presence, a duplicate policy bond has been handed over to the policy holder who attended the hearing accompanied by her husband.
3. In view of the above, the grievance has been redressed.
4. The complaint is disposed of accordingly.
5. Copies of the Order to both the parties.

Case No. LI/SBI/18/09
In the matter of Shri R.S.Meena Vs
SBI Life Insurance Company Limited

— **MISC**

AWARD dated 15.06.2009

1. The major grievance in this case is with regard to the wrong provisions in the policy document which were sought to be corrected but the correction has not so far been effected. The policy holder as such wants the cancellation of the policy and return of the premium paid.
2. Shri R.S.Meena, the policy holder has taken policy No.24017210201 dated 26.03.2007 through Shri Nikhil Sood, insurance agent. Shri Meena was prepared to pay Rs.25000/- per annum towards annual premium but when he received the policy document, he found that he was expected to pay quarterly premium of Rs.25000/- which means an investment of Rs.1,00,000/- per annum. Though the sum assured was accordingly fixed at higher amount than what he expected, he was not in a position to continue this policy considering the high premium that he would have to pay. Further the policy document was delivered at wrong address and later on after repeated reminders to Shri Nikhil Sood policy was delivered in a torn envelop. The policy holder alleges that Shri Sood received the policy himself and subsequently deliberately delayed the delivery of the same to the complainant so that he could not exercise the option of free look period. On discovery of these discrepancies in the policy, Shri Meena requested for cancellation of the policy. Instead of canceling the policy, the Insurance Company pointed out that policy had lapsed because subsequent premiums were not paid. They were trying to persuade Shri Meena to pay all default amounts for revival of the policy. In a statement filed before me Shri Meena has given a long chart of correspondences he had with the Insurance Company in this regard.
3. Before me the same contentions are reiterated by Shri Meena as mentioned in his grievance petition. The Insurance Company was represented by Shri Sachin, Deputy Manager. He argues that the proposal was duly signed by Shri Meena and he must have seen the contentions therein. Therefore, it cannot be considered to be a case of mis-selling. Shri Meena on the other hand suggested that relevant boxes/portion in the proposal form were tick marked or filled in by the agent and he was taken by surprise on receipt of the policy document. He submitted that it is beyond the means of a middle class person to afford a policy with annual premium of Rs.1,00,000/-. He submits that Shri Nikhil Sood has been extremely non-cooperative and he did not deliver the policy document within the free look period of 15 days to him since he had done the mischief by filling up the proposal form himself.

4. I have considered the submissions made by both the sides. Going by pre-ponderance of probability, it appears indeed Shri Nikhil Sood might have misled the policy holder on the core conditionalities of the policy. If a person is incapable of paying a premium of Rs.1,00,000/- per annum obviously he could not have agreed to such conditionalities. What he meant at the time of proposal is obviously that he will be able to pay Rs.25000/- per annum and not a quarterly premium of Rs.25000/- amounting to outgo of Rs.1,00,000/- per annum which was impossible for him. Shri Meena must have been conscious about his financial standing. No one consciously commits such an error where he is incapable of paying annual premium of Rs.1,00,000/-. Further, other circumstances like the address to which the policy was sent was indeed a wrong address and there is no dispute on this count between the insurer and the policy holder. The policy was indeed kept in the custody of Shri Nikhil Sood, the insurance agent, for a long time beyond the mandatory free look period. There is no reason why the insurance agent should hold the policy with himself for such a long time. Further, there is no reason why the insurance company should not make the correction of the document with regard to the premium since it was pointed out immediately after receipt of the policy document through letter dated 24.05.2007.
5. Considering of the circumstances together, I am of the opinion that indeed there is a mis-selling and Shri Meena has been misled and his grievance is not being attended to. The Insurance Company has apparently closed their eyes on the realities of the case.
6. Considering the totality of the circumstances, therefore, for equity and justice, I direct that policy should be cancelled and the premiums paid should be refunded to the policy holder subject to the terms and conditions of the policy. The compliance of the same shall reach to my office for information and record by 15.07.2009.
7. Copies of the Award to both the parties.

Case No. LI/HDFC/23/09
In the matter of Smt. Gargi Dua Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 15.06.2009 **MISC**

1. Smt. Gargi Dua had taken insurance policy No.12161321 on 08.09.2008 paying initial premium of Rs.12000/-. The term of the policy is for 10 years. She alleges that the policy was sold to her on wrong promises. She was assured that at the end of 6 years she can terminate the policy and get back a sum of Rs.1,24,000/- along with interest of Rs.4000/- which turned out to be untrue in terms of the policy conditions. Secondly, as per her claim, she was told that she can surrender the policy after 3 years

and get back the premium paid, that is, Rs.36000/- with interest amounting to Rs.3994/-. This was also not found to be correct in terms of the policy conditions. As such, on receipt of the policy document, she felt cheated and approached the officials of the Insurance Company. She specifically identified the banker Shri Deepanker and Shri Ankit of HDFC Bank who had sold the policy to her. On approaching the Insurance Company, the officials she met again reassured her of the original assurances. It is claimed that within the free look period of 15 days, she had approached the officials of the Insurance Company who had repeated the assurances given by the agent. Subsequently, when she contacted the customer care executive, she came to know that these assurances were not true.

2. Their request for cancellation of the policy vide letter dated 14.11.2008 has been rejected on the ground that it is beyond the free look period.
- 3.. At the time of hearing Smt. Gargi Dua accompanied by her daughter reiterated the same contentions as mentioned in her petition. She filed before me photocopy of a piece of paper which shows some notings supposedly by Insurance Company's official like 6- TB vaguely indicating that in 6 years, it can be terminated and a terminal bonus can be given. The rough note was given to the policy holder at the time of their meeting
3. The Insurance Company has merely stated that application was beyond the free look period and that they had verified internally to conclude that there was no mis-selling.
4. At the time of hearing, it is argued that the Insurance Company should have arranged a conference between her and the concerned employees so as to get at the truth, instead of merely obtaining a negative reply from the employees, she argued that no employee who mis-sold the policy would ever agree to the fact of mis-selling because that will bring legal liability to him. Therefore, it is not enough that the Insurance Company merely gets a confirmation from its employees regarding their good conduct and feels satisfied about it.
5. On the other hand, the representative of the Insurance Company supported its own stand in rejecting request for cancellation of the policy.
6. I have considered the submissions made by both the sides. Mis-selling is a fact of life. But it is extremely difficult to prove the same with much evidence since there is no foolproof evidence as regards the deliberations between the prospective policy holder and the insurance agent, like any video recording or tape recording of the conversations. Therefore, the policy holder is extremely handicapped in case of a mis-selling. At the same time, policy holder also should not be allowed a rethink on their part beyond free look period to be passed off as mis-selling. In such a scenario, truth has to be arrived at by pre-ponderance of probability and whatever evidence that may be available and whatever reasonable inference that one can draw from the circumstances.

7. Coming to the instant case, the policy holder is a housewife. She identifies two officials by name, that is, Shri Deepanker and Shri Ankit in particular who supposedly misled on the policy conditions presenting an attractive return from the policy which in fact was untrue. The policy holder has approached the office of the Insurance Company where she was again assured of the return though there is no conclusive evidence for the fact that indeed this was a repeat assurance within the free look period. In the paper with jottings the figure 6-TB occurs twice. This gives me an idea that most probably officials gave an impression to the policy holder during their meeting that after 6 years policy can be terminated and terminal bonus also will be added to the amount refundable to the policy holder. On that piece of paper also the term HDFC occurs.
8. Though this is scanty evidence but as I have pointed out that in case of mis-selling one cannot have adequate evidence and one has to depend upon available evidence connecting it with the circumstances.
9. At the time of hearing, it has been submitted before me that term TB or terminal bonus was never known to the policy holder and that this piece of paper bearing the hand writing of the bank official were indeed given to them by the bank officials.
10. Considering these facts together, I feel that benefit of doubt should go to the policy holder on the issue of mis-selling. It is directed that policy should be cancelled and premiums paid should be refunded subject to terms and conditions of the policy. The compliance of the same shall reach to my office for information and record by 15.07.2009.
11. Copies of the Award to both the parties.

Case No. LI/HDFC/24/09
In the matter of Shri Vikas Malhotra
Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 30.06.2009 MISC

1. Shri Vikas Malhotra who is an NRI had availed an Insurance Policy namely HDFC Unit Linked Endowment Plus II vide policy no. 12182641 from HDFC Standard Life Insurance Co. Ltd., through HDFC Bank. He had dealt with one Mr. Jayant, officer of HDFC Bank. On 14.10.2008 he had handed over the initial premium cheque of Rs.3 Lacs which was debited to his NRI A/c in HDFC Bank. On 05.12.2008 he requested for cancellation of this policy stating that he was misled on the nature of the policy by Shri Jayant. While he thought that it was only an investment plan, later on he came to know that it was an insurance policy. The Insurance Company has rejected the request for cancellation on the ground that it was beyond the free look period of 15 days. This is being contested before me.

2. On behalf of the policy holder his brother-in-law Shri Sanjay Arora who appeared before me submitted that it was under mis-communication and mis-leading information given by HDFC Bank Official that this policy was taken. The policy holder never wanted to have any insurance policy from any Indian Insurance Company since he is based in USA. All along he thought it to be an investment plan and in good faith had handed over the proposal form after signature without getting into details along with the initial cheque for Rs.3 Lacs. He referred to Mr. Malhotra's e-mail dated 30.11.2008 which makes this fact very clear. The e-mail addressed to Ms. Sanghamitra of HDFC Bank states that there were implications for him to have the Insurance policy in India as he was a US resident. He had requested money taken from his NRI account with HDFC Bank for this policy to be deposited back to his own account.

3. As regards the delivery of the policy document, Shri Arora submitted never the policy document has been delivered to the policy holder. He states that he met officials of the HDFC Bank who on verification of data available on Computer informed him that the address on the envelop was wrong. That was having half Indian address and half address of USA. Because of this the policy has not reached him. He refers in this connection e-mail dated 04.11.2008 from Ms. Sanghamitra of HDFC Bank to policy holder where it is stated as under

“Dear Mr. Malhotra

Thank you for writing to us. Your policy # 12182641 has been dispatched to you on 25.10.2008. Due to wrong updation of the address the same has not been delivered to you.”

4. In reply the representative of the Insurance Company Ms. Mandakini Sharma pointed out that in all the correspondences between Mr. Malhotra and HDFC Bank or HDFC Standard Life Insurance Co. Ltd. nowhere Mr. Malhotra had ever mentioned that he had not

received the policy document. Even in his letter dated 05.12.2008 requesting for cancellation of the policy this fact has not been mentioned. She submitted a copy of the confirmation of Blue Dart Express Ltd. dated 15.06.2009 confirming the delivery of the consignment meant for Shri Vikas Malhotra. In its confirmation, Blue Dart Express Ltd. mentions Airway bill no. 1407624094 along with the date of consignment i.e. 06.11.2008, besides the name of the consignee, Shri Vikas Malhotra. The date of delivery is also mentioned to be 12.12.2008 at 1705 hrs. With reference to this confirmation it is vehemently argued that policy was indeed delivered to Mr. Malhotra at his USA address. Ms. Mandakini Sharma also vehemently denied the charge of miselling.

5. At the time of hearing on behalf of the policy holder it was stated that he had verified from the officials of the Insurance Company that this consignment was not delivered and it got destroyed in transit.

6. I have considered the submissions made on behalf of both the Insurance Company as well as the policy holder. First issue is whether application for cancellation dated 05.12.2008 is within the free look period giving the absolute right to the policy holder to get the policy cancelled irrespective of the fact whether there is mis-selling or not. I will address myself to this very issue first.

7. This free look period is counted from the date of delivery of the policy document to policy holder. Policy is dated 14.10.2008 and request for cancellation has been made on 05.12.2008. As regards the date of delivery of the policy, I have scrutinized the copy of the confirmation dated 15.06.2009 from Blue Dart Express Ltd. There are some glaring features in this confirmation which indeed raise serious suspicion about the authenticity of facts stated therein. As per this confirmation letter the consignment under consideration is dated 06.11.2008 and, it is delivered on 12.12.2008. This means it has taken this Express Courier Service one month and 6 days for the delivery of an envelope, though it was by air and not by ship as clearly evident by this confirmation letter where Airway bill number is also mentioned. Is it possible that a courier agency like Blue Dart which is a market leader takes as long a time to deliver an envelope from India to USA. This appears highly improbable. Secondly, this confirmation letter does not mention who received it. There is a specific column in the confirmation format which runs as under:

“Delivered on :.....at.....hours and received by.....”

Relevant portion to indicate who the person to receive the document was left blank. All courier companies necessarily mention the very person who receives the consignment. Even sometimes they insist upon the identity proof of that person. In India they ask for Electricity bill or the PAN card number or passport etc. as identity proof. It is just not possible that courier agency just does not mention who received this consignment. Thirdly the confirmation letter does not mention the address where it is delivered. Considering these features, I feel that this confirmation is not entirely reliable as a piece of evidence for delivery. To put it differently even otherwise it is not an evidence for delivery for the reason that it has not mentioned who has received this consignment and where. As such I conclude that there is no fully reliable evidence with the Insurance Company for delivery of the policy document to Shri Vikas Malhotra the policy holder. Apparently even if the policy document was not received, since through correspondence Shri Malhotra could get certain details of what the policy was like, he has asked for the cancellation of the policy.

8. That in the correspondences between Mr. Malhotra and the HDFC Bank or the Insurance Company he has not specifically mentioned that he has not received the policy document is not fatal to his claim that he had not received the policy. In fact all along he is stating that he does not know what happened to his investment, where it was invested, that he had not expected a life insurance policy that he was informed about. If he had received the policy this confusion which is clearly discernible in his letters would not be there. He would be more specific with reference to conditions of the policy in his correspondences. Apparently he was in a confused state for the reason that he had not received the policy but knew the policy number only through correspondences. In this view, non-mention of non-receipt of the policy specifically in his correspondences is not really an indication that he has received the policy.

9. Let us see what scenario emerges if we assume this confirmation letter dated 15.06.2009 to be reliable. If as per this confirmation letter consignment for Shri Vikas Malhotra was delivered on 12.12.2008 in USA the application for cancellation is prior to that date i.e. on 05.12.2008. This was recorded in the office of Insurance Company on 18.12.2008 (as the company stamp on the letter shows) and a complaint no. 45638 was given. In the background of the facts, I do not understand how does the Insurance Company say that it is beyond the free look period? Here is a huge self contradiction on the part of the Insurance Company which produces so called evidence to the effect the policy document is delivered on 12.12.2008 and yet rejects the application dated 05.12.2008 (received in Insurance Company office on 18.12.2008) for cancellation, on the ground that the application is beyond the free look period.

10. It worth mentioning that though the Insurance Company in its repudiation letter dated 14.01.2009 states that request for cancellation is beyond the free look period in the letter, it has not mentioned the date of delivery of the policy document to Shri Malhotra which should provide the basis of computation of free look period.

11. To summarize, in view of facts which I have pointed out in above discussion, there is no fully reliable evidence with the Insurance Company that this policy document was delivered to Shri Malhotra. If we assume the confirmation letter dated 15.06.2009 from Blue Dart Express Ltd. to have some evidentiary value, the policy document as per this confirmation was delivered on 12.12.2008. If that was so, application dated 05.12.2008 for request of cancellation of the policy received in Insurance Company on 18.12.2008 is very much within free look period. In either approach policy holder deserves to succeed.

12. In view of the above, it is directed that this Insurance policy should be cancelled by the Insurance Company and money should be refunded to Shri Vikas Malhotra, subject to deductions as permissible in terms of policy conditions.

Case No. LI/HDFC/33/09
In the matter of Mrs. Anupam Sharma Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 06.07.2009 **MISC**

1. Policy holder Smt. Anupam Sharma submitted an application on 05.02.2008 for cancellation of her policy No.11592085. This application was addressed to HDFC Bank who was the agent. The policy was issued on 29.01.2008. Subsequently, on 18.09.2008, she also again submitted an application to the Insurance Company for cancellation but the Insurance Company has repudiated the claim on the ground that it is not within the free look period.
2. Before me it is submitted that the policy namely HDFC Saving Assurance Plan was mis-sold as she was misinformed about the basic features of the policy. Since the policy was received on 29.01.2008, immediately a request was filed for canceling the policy on 05.02.2008, that is, within 7 days after receipt of the policy. Though the bank officials were assuring her from time to time that cancellation would be made, no intimation was forthcoming from the HDFC Standard Life Insurance Company. As such, another letter was filed with the Insurance Company for cancellation of the policy.
3. Before me it was submitted that for all practical purposes, the policy holder was dealing with the bank who was the intermediary, therefore, application for cancellation was filed with the bank with the expectation that the bank would get the cancellation done and revert back to the policy holder but since it was not happening over next few months, policy holder again filed a letter with the Insurance Company.
4. On the other hand, the representative of the Insurance Company submitted that request for cancellation was received on 18.09.2008 and therefore, the request for cancellation of the policy was beyond the free look period.
5. I have considered the submissions made by both the sides. In this case, the bank has acted as agent and the policy holder had never come in contact with the Insurance Company officials at all. The sale of the policy, premium receipt and all other things were done through the bank. An ordinary citizen's faith in a bank as an agent is much more than in an ordinary agent. The policy holder has immediately requested through the bank for cancellation of the policy immediately after 7 days of receipt of the policy. It is apparently the failure of the agent that is, HDFC bank that this application for cancellation of the policy did not reach the Insurance Company.
6. Considering the circumstances, I feel the policy holder should not suffer because of bank's failure. It is directed that the policy should be cancelled and the premium paid amounting to Rs.13000/- should be refunded to the policy holder subject to permissible deductions. The compliance of the Award shall reach to my office for information and record by 31.07.2009.
7. Copies of the Award to both the parties.

Case No. LI/HDFC/39/09
In the matter of Shri G.P.Mathur Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 06.07.2009 **MISC**

1. Policy holder vide his letter dated 22.12.2008 has requested for cancellation of his Unit Linked Young Start Plus policy No.12376656. He has requested for refund of premium paid, that is, Rs.12000/-. The policy was issued on 20.11.2008 and the application for cancellation is dated 22.12.2008. The specific date of delivery of the policy is not known. But it is asserted at the time of hearing that within the free look period, the request has been submitted.
2. At the time of hearing, it was submitted before me that this policy was taken on the assurance that a home loan would be sanctioned and to cover the liability under the home loan in case of a mishap this insurance policy was thrust upon him. But finally the home loan was not sanctioned because of some technical reasons.
3. The representative of the Insurance Company concedes the point. Accordingly, it is directed that the policy should be cancelled and the amount of premium should be refunded subject to permissible deductions.
4. The compliance of the Award should reach to my office for information and record by 31.07.2009.
5. Copies of the Award to both the parties.

Case No. LI/Max/28//09
In the matter of Shri Madan Lal Jain Vs
Max New York Life Insurance Company Limited

AWARD dated 07.07.2009 **MISC**

1. The grievance is in relation to request for cancellation of the policy within the free look period. This policy was sold to the policy holder on 27.09.2007 by the agent of the Insurance Company namely "Indiabulls." The policy holder had requested for cancellation of this policy vide his letter dated 18.10.2008. It is the claim of the policy holder that he received the policy through courier only on 16.10.2008 nearly one year after the inception of the policy and his application for cancellation dated 18.10.2008 should therefore be considered to be within the free look period.

2. The Insurance Company's claim is that the policy document was dispatched to him on 29.08.2007 and therefore, the application for cancellation of the policy after about a year is much beyond the free look period. In a written submission before me, it is submitted that 29.09.2008 the company received a call from the policy holder requesting for a duplicate policy pack and as a service gesture, a duplicate copy was dispatched on that day. With reference to receipt of the duplicate copy of the policy document, free look period should not be computed.
3. At the time of hearing, it is vehemently argued on behalf of the complainant that he had not received the policy soon after the proposal. He had deposited Rs.2,00,000/- as the initial premium as advised by the agent Shri Vikas, (Agent Code-172865). Even the application form was not signed by him. Probably the agent himself signed the application defrauding his signature. He reminded the company again and again but there was no response.
4. I have considered the submissions made by both the sides. The free look period is computed from the date of delivery of the policy document. The Insurance Company is not able to produce before me any evidence for the delivery of the document. They are only mentioning a dispatch date, that is, 29.08.2007. On the other hand, the representative of the policy holder has submitted a copy of the receipt of courier to show the delivery was on 16.10.2008.
5. In absence of any documentary evidence for delivery of the policy document prior to this date, the benefit of doubt should go to the policy holder. Accordingly it is directed that the policy should be cancelled and the premium should be refunded to the policy holder subject to permissible deductions. The compliance of the Award shall reach to my office for information and record by 14.08.2009.
6. Copies of the Award to both the parties.

Case No.LI/Kotak/76/09
In the matter of Shri Surender Kumar Kaushik
Vs
Kotak Mahindra Old Mutual Life Insurance Co. Ltd.

ORDER dated 13.07.2009 **MISC**

1. Shri Surender Kr. Kaushik has made a complaint to this Forum on 09.04.2009, against Kotak Mahindra Old Mutual Life Insurance Co .Ltd. regarding non cancellation of policy under policy no. 01371334.
2. On intervention of this office, we have been informed by Kotak Mahindra Old Mutual Life Insurance Co. Ltd. that they had cancelled the policy and refunded the premium amount of Rs.29,900/- to Shri Surender Kr. Kaushik vide cheque no. 59278 dated 04.04.2009 drawn on HDFC Bank.

3. There is no further relief to be granted to the complainant.
4. The complaint is disposed of finally.
5. Copies of the Order to both the parties.

Case No. LI/Birla/57/09
In the matter of Shri Sat Prakash Gupta Vs
Birla Sun Life Insurance Company Limited

MISC

AWARD dated 16.07.2009

This Platinum Plus policy was issued to this policy holder who was 65 years old at the time of selling this policy. It is alleged that the agent has mis-sold this policy without mentioning the essential features especially the mortality charge which was very heavy. The policy holder stated that he has not received the policy nor any reply from the Insurance Company even though soon after the sale of this policy and issue of the first premium cheque of Rs.5,00,000/-, he has been requesting the Insurance Company for cancellation of this policy.

At the time of hearing, it was submitted that Unit Linked policy was not indeed a suitable policy because the policy holder's age was already 65 by that time. He was a retired government employee who under wrong advice of the insurance agent had transferred his retirement benefits from Monthly Income Scheme to pay the first premium of this policy which was Rs.5,00,000/-. Paying annual premium of Rs.5,00,000/- year after year was indeed financially impossible for him. On sum assured of Rs.25,00,000/-, mortality charges were huge which was to the tune of about 6.25% which roughly worked out to Rs.1,56,250/- per annum. This fact was deliberately suppressed by the agent. The cheque for the first premium was issued on 31.03.2008 but so far the policy document has not reached to the policy holder.

The Insurance Company vide its letter dated 14.07.2009 addressed to Insurance Ombudsman writes as under:

“Please be noted that BSLI are trying to settle the matter and accordingly BSLI has decided to refund the premium amount as per free look norms, as mentioned in the Contract. Accordingly, we wish to inform you that once the cheque are delivered to the complainant and acknowledgement receipt is received by us, we shall inform you about the same. As BSLI has agreed to resolve the complainant's, BSLI prays for dismissal of the complaint.”
The representative of the Insurance Company who was present at the time of hearing submitted that matter is going to be settled soon.

I have considered the submissions made by both the sides. It is unfortunate that even if the first premium cheque was issued on 31.03.2008, the policy document has not so far reached policy holder. This policy was altogether unsustainable on long terms considering the age of the policy holder as well as the fact that he had already retired and income earning source had dried up. He will not be able to obviously pay an annual premium of Rs.5,00,000/- Similarly, mortality charges which calculated with reference to sum assured is indeed a heavy burden on him. Going by pre-ponderance of probability it can be inferred in view of above facts that this gentleman has been mis-guided by the insurance agent to transfer his retirement benefits from monthly income scheme to pay the first premium of this policy by way of suppression of relevant core features of the policy. I conclude that it is a case of mis-selling.

Therefore, the Insurance Company is directed to refund the amount of premium paid without any deduction whatsoever along with interest @10% per annum. The compliance of the Award should reach my office for information and record by 31.08.2009.

Copies of the Award to both the parties.

Case No. LI/Maxlife/51/09
In the matter of Shri Vinod Sahdev Vs
Max New York Life Insurance Company Limited

AWARD dated 16.07.2009 MISC

1. The above policy described as Life Invest policy was issued on 05.08.2008. The policy holder requested for cancellation of this policy on 25.09.2008. The Insurance Company has rejected the request of the policy holder on the ground that it was beyond the free look period. Issue therefore centres round determining of the free look period.
2. Policy holder states that he received the policy on 12.09.2008 and therefore, request for cancellation of the policy made on 25.09.2008 was very much within the free look period. But the Insurance Company submits that the policy was delivered to the policy holder on 21.08.2008 as per the confirmation of Day & Night Couriers. A photocopy of the receipt supposedly signed by the policy holder at the time of delivery is produced to indicate the same.
3. At the time of hearing, the policy holder who was present vehemently asserted that the signature appearing on the photocopy of the receipt is not his signature at all. He insists that he received the policy only on 12.09.2008. The representative of the Insurance Company argued that on the policy holder's request a duplicate policy was

issued to him which received on 12.09.2008 whereas the original policy was delivered to him on 21.08.2008 as the Courier Company's receipt would show.

4. The computation of free look period starts from the date of delivery of the policy document to the policy holder. Though the Insurance Company asserts that the policy was delivered on 21.08.2008, the policy holder has vehemently contested the same stating that signature on the receipt was not his. On comparing the signature on the photocopy of the receipt as filed before me and the signature available on the proposal application signed by the policy holder, I find these do not match at all. Therefore, I am not able to take the photocopy of the receipt submitted issued by the courier company as a valid evidence of delivery of the policy document on 21.08.2008
5. At the time of hearing, I asked the representative of the Insurance Company whether there was any evidence with them to show that the document delivered on 12.09.2008 was indeed a duplicate policy document and whether it was stamped as a duplicate document as such, the representative of the Insurance Company replied in the Negative. From the above circumstances, two conclusions emerge

(i) There is no valid evidence of delivery of the original document on 21.08.2008 (ii) there is no evidence that the document delivered on 12.09.2008 was indeed a duplicate policy document.
6. In view of the above, I conclude that original policy document has been delivered on 12.09.2008. As such, the request for cancellation of the policy was very much within the free look period. It is directed that policy should be cancelled and the premium should be refunded subject to permissible deductions. The compliance of the Award should reach to my office for information and record by 31.08.2009
7. Copies of the Award to both the parties.

Case No. LI/Tata AIG/65/09
In the matter of Shri Ashish Varma Vs
TATA AIG Life Insurance Company Limited

AWARD dated 16.07.2009 **MISC**

1. The complainant had purchased Mahalife Policy in the name of his son Shri Abhishek Varma from TATA AIG Life Insurance Company Limited. After receiving the policy while going through the photocopies of the application and forms sent by the Insurance Company, he discovered signature in two of the GAF was forged. He raised this issue with the Insurance Company. Apparently some employees of Insurance Company's corporate agent had done some mischief. The Insurance company in its letter (undated) faxed to my office on 14.07.2009 writes that in December,2007 the Insurance Company had offered to cancel the aforesaid policy and refund the premium paid by the policy holder but the policy holder had requested for continuation of the policy coverage. As such, the policy is still continuing. In this

letter, the Insurance Company also wrote that because of the discrepancies in the signature found in the documents, the concerned agent was terminated from his services and the same also has been communicated to the policy holder.

2. At the time of hearing, on being asked what relief exactly he wants, the policy holder suggested that he should be duly compensated for the mischief done. Further he added one more grievance (which was not mentioned in the written complaint filed in this office) to the effect that the premium was paid through his credit card and the credit card number was apparently not kept secret by the Insurance Company. He had received reports from the bankers that many transactions had taken place by using this credit card number by some other people and the complainant was not party to such transactions. To a query, the policy holder conceded that he had not suffered any financial loss because of such transactions by other people yet.
3. The representative of the Insurance Company pointed out that never the policy holder made any such complaint to the Insurance Company and it is impossible that the Insurance Company's employee can use the credit card number for fraudulent transactions.
4. I have considered the submissions made by both the sides. As regards, the forged signature issue, the policy holder has not been adversely affected by way of financial loss because of the same. The Insurance Company also had offered him to cancel the policy but he wanted the policy to continue. Since no harm has come to the policy holder nor any loss has been suffered by him, I do not think he is entitled to any compensation as such. As regards the allegation of credit card number misuse, this does not find place in written complaint filed in this office. The complainant is free to go to the Insurance Company with specific details for necessary action.
5. The complaint is dismissed.

Case No. LI/HDFC/56/09
In the matter of Shri Vijay Tyagi
Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 20.07.2009 MISC

1. In this case the Insurance Company has not acceded to the request of the policy holder for cancellation of his policy since it was beyond the free look period. This policy was issued on 04.09.2008 and the policy document was received by the policy holder on 03.10.2008. Request for cancellation was made on 05.12.2008.

2. At the time of hearing it is submitted that Insurance Company by its letter dated 26.12.2008 itself admitted that policy holder had received the policy in the free look period of 15 days but was subsequently stated it to be an inadvertent error. It is argued that the original policy is not received till date. Only a duplicate copy was sent. It is vehemently argued before me that this is a case of mis-selling and even the application form was not filled in by the policy holder nor it was signed by him. After taking the cheque for the first premium the agent had not reverted back to the policy holder nor was the original policy sent to him yet.

3. In fact at the time of hearing a copy of the application form was submitted before me. It was pointed out that the policy holder was not aware of the facts stated therein and it was someone else who had signed for the policy holder. They refer to page 12 of the application form where even the spelling of the policy holder's name Vijay Tyagi was wrong where instead of one J there were two Js in the signature itself. Similarly the residential address of the policy holder was mentioned which actually was that of Amar Nayar, HDFC Bank Manager. Further it was mentioned that no identification marks were visible, whereas there were clear identification marks on the forehead of the policy holder. The policy holder's mobile number mentioned in the application form was that of Madhavi, officer of HDFC and not that of the policy holder. Finally the signature itself was fraudulent. That was of someone else. Apparently, after receiving the cheque, the agent himself had filled up the form mentioning whatever he liked.

4. I have considered the submissions made before me. It is vehemently argued that the policy has not been received by him. It appears indeed signature on the application form is not that of the policy holder because in the signature itself, there could not be a spelling mistake if the policy holder had himself signed. Further, a lot of wrong facts are mentioned in the application form including the residential address of the policy holder and the mobile number. In view of the above facts I come to the conclusion that there is no valid application for the policy. As such policy issued on the basis of an invalid application form is also invalid.

5. Accordingly it is directed that the policy should be cancelled and the premium paid should be refunded.

Case No. LI/Kotak/50/09
In the matter of Shri B.P. Singhal
Vs
Kotak Mahindra Old Mutual Life Insurance Company Limited

AWARD dated 20.07.2009 MISC

1. The policy holder requested for cancellation of the insurance policy on the ground that there was mis-selling. The Insurance Company has refused to do so, on the ground that the request for cancellation has been submitted beyond the free look period. This policy was issued on 07.09.2008 which was received by the policy holder on 12.09.2008. Application for cancellation through e-mail was received on 02.01.2009.

2. At the time of hearing it was submitted that in fact there was an earlier application sent through courier on 18.11.2008 requesting for cancellation on the same grounds. Subsequently he also addressed another letter dated 12.12.2008 to the Insurance Company informing the company that with reference to his letter dated 18.11.2008 one Mr. D.K. Aggarwal officer of the Insurance Company's Faridabad Branch office had met him to sort out the matter but his request for refund of premium paid amounting to Rs.90,000/- was not yet acceded to. It was submitted before me that unless the Insurance Company had received his letter dated 18.11.2008 question of meeting Shri Aggarwal with policy holder on 06.12.2008 would not arise. To this the representative of the Insurance Company submitted that whatever date we take whether 18.11.2008 or 02.01.2009, it was beyond the free look period. Therefore, the request was not entertainable.

3. The main issue here is the charge of mis-selling. It is because of mis-selling only that the request for cancellation was made. If the charge of mis-selling is proved the contract between the policy holder and the Insurance Company in form of the Insurance policy becomes abinitio void and therefore will have to be cancelled irrespective of the fact whether the request for cancellation of the policy has been received within the free look period or not.

In the letter dated 02.01.2009 with regard to mis-selling, the policy holder states the following facts:

“On 3rd Aug., '08, my wife and I were invited to attend a sales presentation by Kotak, whereby we ended subscribing to the above plan. Features explained were Rs.90,000/-p.a. for 10 years; covers risk+ medical for both; no issues despite both of us being diabetics; minimum 30% return p.a.; may discontinue premium payment from 4th year onwards; withdraw majority principle + accrued bonus at end of 3 years with risk cover and interest accruals continuing or commence pension @ Rs.10,000/- p.m.

Finally the policy was delivered after a month's follow up and two rounds of pathology tests of my wife. As, I was traveling out, I was able to review the policy on a later date and was surprised to note the following:

- Only my wife is insured and not me, while the communication was for both.
- The application was incorrectly completed stating that
 - I have business income, which has been subsequently inserted in hand writing.
 - We do not suffer from diabetes- this was repeatedly disclosed at every stage of the process.
- “Revision in requested plan” issued on 2nd September, was not shared /communicated to us and has been fraudulently signed as accepted by us on 31st Aug. Please read that our signatures have been fraudulently copied and the acceptance/signature date precedes the letter issue date.”

Same facts also were mentioned in the letter dated 18.11.2008 which the Insurance Company claims not to have received.

4. There is no doubt that in this case, in the application form wrong mention is made with regard to the source of income. Even if the policy holder has stated that he and his wife were diabetic this was not taken into account which is obviously a material fact. Further, though impression is given that both of them would be covered, the policy covers only the policy holder’s wife and not him. Similarly, wrong impression is given that the payment of premium can be discontinued from 4th year onwards and he can withdraw the maturity principal and accrued interest, but the risk cover will continue. One serious fact which comes to notice is that the revision in the requested plan issued on 2nd September appears not to have been signed by the policy holder but someone else has fraudulently signed it. In other words this revision request plan is not valid document. In other words the policy which was based on this, there was no consent for the same in the eyes of law. This fact alone is sufficient indeed to hold that the policy is not valid since there was no consent by the party to such revision. The wrong facts mentioned in the application with regard to the source of income persuade me to conclude that indeed there was mis-selling. The policy holder who is retired official and does not have business income could not have mentioned to have business income in application form. Similarly when both, the policy holder and his wife are suffering from diabetes they obviously could not have mentioned that they do not suffer from diabetes. In fact for that reason they are pursuing the Insurance Company for correction. As regards the fraudulent signature charge, I find the specimen signature in the application form does not match with the signature on the revision in requested plan issued on 02nd September. These are obviously dissimilar. Therefore, the signature in the revision request plan issued could not be that of the policy holder. This means there was no consent for the contract.

5. In view of the above, both on account of mis-selling as well as fraudulent signature the policy should be treated as abinitio void. The Insurance Company is directed to refund the premium received.

Case No.LI/Reliance/64/09
In the matter of Ms. Subhash Kumari
Vs
Reliance Life Insurance Company Limited

ORDER dated 20.07.2009 **MISC**

1. Ms. Subhash Kumari has made a complaint to this Forum on 18.03.2009, against Reliance Life Insurance Co .Ltd. regarding non cancellation of policy under policy no. 12658715.
2. On intervention of this office, we have been informed by Reliance Life Insurance Co. Ltd. vide their fax dated 17.07.2009 that they had cancelled the policy and refunded the premium amount of Rs.30,000/- to Ms. Subhash Kumari vide cheque no. 182791 dated 13.07.2009 drawn on ICICI Bank Limited.
3. There is no further relief to be granted to the complainant.
4. The complaint is disposed of finally.
5. Copies of the Order to both the parties.

Case No.LI/HDFC/67/09
In the matter of Mr. Manoj Kr. Kataria
Vs
HDFC Standard Life Insurance Company Limited

ORDER dated 21.07.2009 **MISC**

1. Mr. Manoj Kr. Kataria has made a complaint to this Forum on 23.03.2009, against HDFC Standard Life Insurance Co. Ltd. regarding non cancellation of policy under policy no. 12423387.
2. On intervention of this office, we have been informed by HDFC Standard Life Insurance Co. Ltd. vide their fax dated 21.07.2009 that they had cancelled the policy and refunded the premium amount of Rs.3,000/- to Mr. Manoj Kr. Kataria vide cheque no. 352960 dated 30.03.2009 drawn on HDFC Bank Limited.
3. There is no further relief to be granted to the complainant.
4. The complaint is disposed of finally.
5. Copies of the Order to both the parties.

Case No. LI/ICICI Pru/61/09
In the matter of Ms. Vanitha Mani
Vs
ICICI Prudential Life Insurance Company Limited

AWARD dated 27.07.2009 MISC

1. The policy holder of this policy no. 10360542 (described as Life Time Gold) was already having another policy i.e. ULIP Policy no. 00587844 with the same Insurance Company that is ICICI Prudential Life Insurance Co. Ltd. which was already 6th year in running. She wanted the following modification to that ULIP Policy:

1. Switch the future premium allocation
2. increase the Life Cover
3. Modify the Nomination details.

For this purpose they met Mr. Rajesh Singh, Executive of the Insurance Company. On being approached apparently Mr. Rajesh Singh had given new application form for signature of the policy holder for the purpose. The policy holder was also asked to issue a cheque for Rs.50,000/- which was issued by the policy holder on the assumption that it was the premium for his existing policy i.e. ULIP policy no. 00587844 (ULIP). Subsequently, a new policy i.e. no. 10360542 (Life Time Gold) was delivered to the policy holder on 24.11.2008. Since the policy holder did not want new policy he requested for cancellation of the policy and accordingly the policy no 10360542 (Life Time Gold) was cancelled being within free look period. As against the premium amount aid i.e. Rs.50,000/-, the policy holder was refunded a sum of Rs.47673.98/-. In the process she has incurred a loss of Rs.2,326/- which is being objected to.

2. Before me it is submitted by the representative of the Insurance Company that the deduction was in conformity with policy terms and IRDA guidelines. On the other hand the policy holder submitted that it was a case of mis-selling as he did not want this policy. As such she should not suffer any loss. It is stated by the policy holder that it is not an ordinary situation where the policy document in normal course was said to be cancelled in free look period. Therefore the IRDA guidelines for cancellation within the free look period or the terms of the policy with regard to deduction to be effected when a policy is cancelled within free look period did not have any relation. It is a policy which is thrust upon the policy holder who had not asked for it.

3. To this the Insurance Company representative replied that application was duly signed by the policy holder and therefore it should be presumed that she knew that a new policy is being purchased. She could not be under the impression that all these formalities were for modification of existing ULIP policy.

4. I have considered the submissions made by both the sides. There is no specific denial of the fact that the policy holder had met Mr. Rajesh Singh, Executive of the Insurance Company and had requested for the modification as mentioned in this order earlier. But instead of this modification a new policy has been issued to her. It is not shown to me that

indeed these modifications were done in the ULIP policy no. 00587844 and a new policy was issued as a new adventure. It also further seen that indeed for the ULIP policy, premium as same i.e. Rs.50,000/- and was due on 03.12.2008. The cheque no. 646154 for the same amount of Rs.50,000/- was handed over to Mr. Rajesh Singh on 08.11.2008. Considering the proximity of the dates and the cheque for identical amount, it lucks probably that indeed the policy holder was under the impression that the cheque for Rs.50,000/- was being handed over to Mr. Rajesh Singh for the old ULIP policy.

5. Considering the totality of the facts, I feel that the policy under consideration is issued to the policy holder wrongly without policy holder asking for it (in fact the Insurance Company has cancelled the policy apparently for that reason). In other words, there is no valid consent of the policy holder for the new policy. Consent of the policy holder is a primary condition for validity of the contract between the policy holder and the Insurance Company which takes the form of Insurance policy. In absence of consent the policy itself becomes **abinitio void**.

6. In this view of the matter I conclude that whole amount of Rs.50,000/- paid as premium should have been refunded to the policy holder without any deduction. Since Insurance Company has deducted a sum of Rs.2,326/-, the same amount should now be refunded to the policy holder.

Case No. LI/HDFC/62/09
In the matter of Mr. Rohit Vaswani, Mr. Puneet Vaswani & Ms. Shefali Jain
Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 30.07.2009 **MISC**

1. The complaint is identical to the following three policies and therefore is disposed of in this combined order.

Policy No.	Name of the Policy Holder	Start Date
10883609	Mr. Rohit Vaswani	01.02.2007
11140618	Ms. Shefali Jain	28.06.2007
11140614	Mr. Puneet Vaswani	29.06.2007

2. The main allegation in respect of all these policies is that at the time of sale of these policies by the representative of the Company that is Mr. Deepak Sharma and Kamaal Gupta of Shahdra Branch, Delhi, the policy holders were not informed that in the first two years there would be deduction towards allocation charges to the extent of 30% of the premium paid.

3. Second allegation is that there was violation of Data Protection Law in the sense Mr. Deepak Sharma had got his personal e-mail (d.sharma1983@yahoo.com) address registered in the name of the policy holders and had operated through the same and accessed the policy holders account details. The communications including the financial statements from the Company were being received by Mr. Deepak Sharma through this e-mail and the policy holders were kept completely dark about the state of affairs with regard to their policies.

4. Thirdly as per the allegation of the policy holders all their efforts to get to know the correct state of affairs through consumer help line or personal contacts did not yield any satisfactory result.

(case no. LI-HDFC/62/09)

5. The policy holder requested for the cancellation of these policies which was not yet acceded to, by the Insurance Company. In this complaint policy holders request for cancellation of the policies and refund of premiums paid with interest.

6. The case was heard twice. At the time of second hearing, the Insurance Company's representative Mr. Gulzaar Hussain intimated that Company now has agreed to cancel the policies and pay the whole amounts of premium paid without any deductions.

7. Accordingly it is directed that the policies should be cancelled and premiums paid should be refunded with interest @ 8%.

Case No. LI/Met Life/27/09

In the matter of Dr. N.K. Indra
Vs
Met Life Insurance Company Limited

AWARD dated 14.08.2009 **MISC**

1. The policy holder Dr. N.K. Indra is a chief Medical Officer in Municipal Corporation of Delhi Dispensary, Bawana, Delhi. He took a policy no. 1200800548940 from Met Life Insurance Co. Ltd. under wrong impression about the policy conditions. He alleges that Mr. Subrata Roy, Asstt. President and Branch Head, Axis Bank, Sector-7, Rohini, Delhi- 110085, along with another official of the Bank had approached him and many others for selling the policy. They were told that if they pay Rs.1 Lakh each for three consecutive years, they will get a sum of Rs.4,36,800/- after expiry of 3 years. On such assurance number of persons purchased the policy through him, but when policy document was issued, it was found that the conditions were at total variance with the assurance held out. When he complained to Mr. Subrata Roy, he took away the policy document and thereafter he has not responded to Dr. Indra again. Dr. Indra does not have any documents with him or papers with regard to this policy. He alleges that this is a case of fraud and cheating. He points out that the policy period extended upto the age of 100 years and every year one is supposed to deposit a sum of Rs.1 Lakh. Though there is an option for partial withdrawal but policy holder is bound to repay the amount withdrawn to continue the policy upto the age of 100 years.

2. The Insurance Company official who was present at the time of hearing, expressed ignorance about the details of the matter. Subsequent to hearing, Company by its letter dated 23.07.2009 addressed to Dr. N.K. Indra has agreed for canceling the above policy as a free look cancellation on submission of Indemnity bond on Stamp paper.

3. At the time of hearing the policy holder who himself appeared stated that it is not only him, but a number of person had gathered that day to listen to Mr. Subrata Roy. They all have the same fate.

4. I have considered the submissions. This appears to be a case of misselling. If the policy period extends upto 100 years no person particularly in higher age group to which Dr. Indra belongs would take this policy. Sustaining a policy for such a long time on annual premium of Rs.1 Lakh may be impossible for middle class people. From this fact alone, it is sufficient to infer that indeed there is a misselling. Further the assurance held out that after three years a policy holder will get a sum of Rs.4,36,800/- on annual premium of Rs.1 Lakh for three years is at variance with the policy conditions. Considering theses facts together, I conclude that indeed this is a case of misselling. Accordingly it is directed that the policy should be cancelled and whole amount of premium paid should be refunded with interest @ 8%.

GUWAHATI

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 22/013/007/L/09-10

Mr. Nishanta Bordoloi

..... Complainant/Insured

- Vs -

Aviva Life Insurance Co. India Pvt. Ltd.

..... Opposite Party/Insurer

Award dated : 25.05.2009

This complaint was filed by the Complainant relating to a dispute regarding non-adjustment of premium.

Mr. Nishanta Bordoloi procured a policy bearing No. LFB 1264268 from the Insurer / O.P. With the date of commencement on 29.05.2006. It was a policy for Sum Assured of Rs.1,25,000/- with quarterly premium of Rs.6250/-. The Complainant had paid the quarterly premiums since inception regularly and lastly on 29.08.2007 but the Insurer has informed him that the premium receipt for due 29.08.2007 has been issued due to a technical snag in their system and requested him to ignore the same. Subsequent premiums not accepted. Feeling aggrieved, the Complainant has approached this Authority with this complaint for redressal of the grievances.

It appears from the letter dated 22.10.2007 that the Insurer has converted the policy to paid up one with Sum Assured being retained at the current level of Rs.1,25,000/- with fund value of Rs.29,220/- as on that date. The Insurer has also informed the Complainant that as per the Standard Terms and Conditions of the policy, the Complainant has the option either to reinstate the policy or reducing the Sum Assured to 'Zero'.

During hearing, the Complainant stated that he has duly paid the premium due on 29.08.2007. The Insurer has contended in their letter dated 25.02.2008 that receipt was issued due to a technical snag in the system. There is however no evidence to prove that receipt was issued due to such a technical error. The premium receipt clearly discloses that the Insurer granted the said renewal premium receipt on 29.08.2007 in respect of the above policy containing signature of the authorized signatory wherein the next premium due has also been mentioned as 29.11.2007. There is no question to hold that the receipt was issued by the Insurer without receiving payment as the said receipt appears to be exactly similar with that of receipts granted earlier to the Insured since inception. The Insurer has converted the policy to be a paid up one on the ground of nonpayment of premium due on 29.08.2007. Since proof of payment of the above premium is there, the decision of the Insurer in treating the policy to be a paid up one is not a justified action. The Complainant appears to be interested to continue the policy and hence the Insurer shall allow the Complainant to revive his policy after realizing the arrear premiums without interest as he was found to be not at fault. With this observation, the Insurer is accordingly directed.

GUWAHATI OMBUDSMAN CENTRE
Complaint No. 21/001/187/L/08-09

Mrs. Nitumoni Sharma

..... Complainant

- Vs -

L.I.C. of India, Dhekiajuli B.O.
Under Guwahati D.O.

..... Opposite Party/Insurer

Award dated : 08.04.2009

Mr. Tapan Sharma, husband of the Complainant, procured five policies bearing Nos. 481691063, 483854852, 483854007, 483854058 & 482921313 from LIC, Dhekiajuli B.O. under Guwahati D.O. with Disability Benefits. While the policies were in force, he became disabled due to sudden fall. The claim was lodged with the Insurer seeking disability benefits were rejected on the ground that the disability was caused due to disease and not because of accident.

The Insurer has contended in their "Self Contained Note" that the Disability Clause involved in the policies are not applicable as the disability was caused due to disease and not because of accident.

During hearing, the representative of the Insurer stated that the Disability Benefits can be paid to an Insured suffering from Permanent Disablement arising out of an accident only. In support of his contention, he has produced the copy of the policy conditions wherein circumstances under which Accidental Benefits and Disability Benefits can be paid are mentioned. The Complainant admitted that her husband suddenly fell down and became unconscious on 06.10.2008 and even after treatment, he has not been cured and has become bed ridden now without having any capacity to move, talk, write etc. and all along he has been confined to bed. Mrs. Nitumoni Sharma has produced certain medical documents. The Medical Certificate issued by the Guwahati Medical College on 22.11.2008 shows that Mr. Tapan Sharma suffered from Hypertension with Haemorrhage. The certificate has further contained that "Patient has severe right sided weakness, inability to speak and bedridden because of his illness". The other Medical Certificate shows that he was suffering from spontaneous intracerebral haemorrhage and was not in a conscious state and not able to sign any document. Another certificate issued by Dispur Poly Clinic and Nursing Home shows that the Insured was admitted there on 06.10.2008 and treated there till 21.10.2008 for diseases like Hypertension (L) BG Haemotomea with Ventricular extension. All the above three medical documents proves that due to illness, he has become bed ridden and unable to speak and move and in a sense, he has become disabled but such disability failed to attract the provisions contained in the Policy Condition. His disability was not connected with any accident and hence as per policy condition, disability benefits are not payable. Repudiation of the claims by the Insurer appears to be justified in terms of the policy conditions. The complaint is accordingly dismissed.

HYDERABAD

Hyderabad Ombudsman Centre
Case No: L-21-001-0565-2008-09

Shri Shaik Dilshad
Vs.
LIC of India, Divisional Office, Machilipatnam

Award Dated: 30.6.2009

Award No: I.O. (HYD) L- 19 -2009-10

The complaint is about the repudiation of claim on Policy No: 673050009 by Life Insurance Corporation of India, Machilipatnam Division.

Shri Shaik Kaleshavali, aged 33 yrs. Submitted a proposal dt.15.7.2004 to LIC of India and obtained a policy for an assurance of Rs.1,00,000. The policy commenced from 15.7.2004 and it lapsed due to non-payment of premia from 15.11.2004 and the same was revived on 19.9.2007 by payment of arrears of 35 Mly.premiums, the amount being Rs.18,235=00 together with interest, under loan-cum-revival.

When the complainant claimed for the benefit under the policy, the insurer, LIC Of India rejected the claim, on the plea that the life assured was not having good health prior to date of revival and gave false answers to Q.No.2 a,c and 4 of the personal statement of health dtg.28.9.2007 submitted for revival.

The complainant contended that the life assured unfortunately faced cancer and committed mistake in not mentioning the actual disease in the Form No.680. They are downtrodden muslim minority and having 3 children without other source of income. She pleaded for excuse and financial aid at least to the extent of paid up value on the policy.

After hearing the case and perusal of all the documents, it is observed from the documents of Cibbar Cancer Hospital, Vijayawada dt.16.6.2006 that the life assured was suffering from Ca.Lung (Cancer) and required chemotherapy and medical care. They gave an estimate of cost of treatment being Rs.76,100=00. It is also observed from the document of City Cancer Centre that the life assured was admitted on 11.8.2006 and was discharged on 12.8.06 and the diagnosis was Ca.Lung and he was admitted for 3rd cycle of chemotherapy which was given on 11.8.2006 and 12.8.2006.

It is also observed from Claim Form B-1 given by Dr.Shaik Khaja, Bommidala Cancer Hospital, Guntur that the life assured was admitted in the hospital from 10.9.07 to 13.9.07 i.e. prior to the date of PSH dt.18.9.07.

The role of the agent in revival of the policy should be examined, when the life assured was a Lung Cancer patient and was under medical treatment and was also given Chemotherapy treatment for 3rd time. The agent had assisted the life assured in getting the loan for revival of policy. I suggest stringent action against him for misleading the life assured and the Insurer.

In view of the suppression of material facts on the part of the life assured, it was held that repudiation action of the Insurer, LIC Of India is right and justified but considering the plight of the bereaved members, I take a sympathetic view and direct, LIC of India to refund the actual amount of arrears paid by him for revival.

The complaint is partly allowed.

Hyderabad Ombudsman Centre
Case No: L-21-001-079-2009-10

I.Tulasamma
Vs.
LIC of India, Divisional Office, Kadapa

Award Dated: 30.6.2009

Award No: I.O. (HYD) L- 20-2009-10

The complaint is about the repudiation of claim on Policy No: 654206694 by LIC of India, Divisional Office, Kadapa.

Shri I Nagireddy, aged 46 yrs. submitted a proposal dt.29.3.2006 under non-medical basis and obtained a policy bearing no.654206694 from LIC Of India for an assurance of Rs.1,00,000. The policy commenced from 28.3.06 and he died on 10.6.2007.

When the complainant claimed for the benefit under the policy, the insurer, LIC Of India rejected the claim, on the plea that the life assured was suffering from Type 2 Diabetes and Pulmonary Koch, prior to effecting the assurance and had made deliberate mis-statements and withheld material information regarding his health.

The complainant contended that the life assured was working in SLS Degree College and for the last 3 years before death he did not avail any medical leave. Had the life assured been suffering from the disease, he would have taken a policy for 10 lakhs, instead of mere 1 lakh sum assured.

Both the parties were called for a personal hearing on 23.6.2009 and all the documents submitted were perused. The complainant by her letter dt.20.6.09 communicated to this Office that she will not be able to attend or depute a person on her behalf to the hearing and she would abide by the award given by the Ombudsman.

It is observed from the document of Vishwa Bharathi Super Speciality Hospitals, Kurnool Discharge card that the life assured was admitted in the Hospital on 22.11.2004 and was discharged on 26.11.2004 and the diagnosis was Type 2 Diabetes Mellitus and the treatment given was for D.Nephropathy, Ac factor, Pul.Koch and medicines were prescribed by them.

It is also observed that the life assured got checked up at Diabetes Centre from report dt.9.1.05, consulted SP Diabetes Clinic on 9.1.05 and the earlier medical checkups reports at Jaya Vishnu clinical Lab dt.9.11.04.11.11.04, 19.11.04.

Further, it is observed from the Medical leave particulars obtained from SLS Degree College, Pullareddypeta that the life assured availed leave on medical grounds as mentioned below:

From 16.10.95 to 25.10.95; From 2.3.97 to 19.4.97; From 27.12.97 to 17.3.98; **From 10.12.2002 to 8.1.2003** for 20 days, 39 days, 81 days & **60 days** respectively.

In view of the suppression of material facts on the part of the life assured, it was held that the repudiation action of the Insurer, LIC of India is right and justified and the complaint is therefore, dismissed.

KOCHI

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-503/2008-09

C.Dharmapalan

Vs

LIC of India

AWARD DATED 27.05.2009

The complainants, Shri C.Dharmapalan, Shri K.C.Sasikumar, Shri R.Anandan and Shri Vasudevan are retired employees of Kerala State Agricultural and Rural Development Bank. On their retirement, they were given a gratuity of Rs.3,50,000/- only instead of 15 days salary for every completed year of service. Their employer had obtained a group gratuity policy from LIC of India, for meeting the gratuity liability. As per the master policy issued, they are eligible to get a gratuity of 15 days of salary for every completed years of service, without any ceiling on maximum amount. LIC gave full gratuity as per master policy, till date, but on retirement of the complainants, they got only Rs.3,50,000/-, the maximum amount payable under Gratuity Act. It was submitted by the complainants that nothing in the Gratuity Act prevents the employer on paying a gratuity of more than Rs.3,50,000/-.

It was submitted by the insurer that till 2003, the scheme was under endowment scheme and they were paying full gratuity without any maximum limit. In 2003, the employer, the

master policyholder, has requested to covert the scheme to cash accumulation scheme and also to restrict the sum to be paid as Rs.3,50,000/-. Premia are calculated and collected for this amount only. As this is a cash accumulation scheme, payment is made out of the fund available in the scheme. They are still prepared to give higher amount, if desired by the employer.

The scheme was started as an endowment scheme with no limit to maximum amount payable. The scheme provides for change in terms and conditions of policy by giving 3 months notice. The employer made a request to covert the scheme into cash accumulation scheme, as per the decision of the Board of Directors of the Bank. On their request, the insurer converted the scheme to a cash accumulation scheme and also the maximum amount of gratuity was limited to Rs.3,50,000/- w.e.f. the renewal in 2003 and premium also was collected accordingly. Hence the liability of the insurer is only to pay a maximum gratuity of Rs.3,50,000/- on retirement. The insurer covers risk only in the case of premature death of an employee. In other cases, the insurer acts only as a fund manager. In case any employee is to get higher amount of gratuity by way of service condition, he has to sue the employer. LIC's liability is only as per the terms and conditions given in the policy. The complaint is, therefore, devoid of any merits and hence **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/24-011-295/2009-10

Dr.Ninan Kuruvila

Vs

ING Vysya Life Insurance Co.Ltd.

AWARD DATED 25.09.2009

The complainant was issued with a 'Fulfilling Life AWL' policy for an assured sum of Rs.7,50,000/- with an annual premium of Rs.60,268/- w.e.f. 28.03.2005. After payment of 2 yearly premiums, the policy was allowed to lapse w.e.f. 28.03.2007. The insured applied for surrender value under the policy on 20.08.2007 which was turned down by the insurer. It was submitted by the insurer that the policy will acquire surrender value only if 3 years premiums have been paid. As this policy is in a lapsed condition, nothing is payable under the policy. To become eligible for any benefit under the above policy, the lapsed policy is to be revived by paying 3 years arrears of premium with interest. It was stated by the insured that at the time of taking the policy, he was assured that the policy can be surrendered at any time and also will get a huge amount on completion of 3 years. Only on these assurances, he has taken the policy. Hence he has approached this forum for getting back the premiums paid.

Admittedly the policy commenced on 28.03.2005 and the policy was allowed to lapse w.e.f. 28.03.2007. The policy condition is very specific that if premiums are not paid within the days of grace, the policy lapses and surrender value will acquire only if 3 years premiums are paid. If the policy lapses without paying 3 years premium, policy will not be eligible for surrender value. He had also not exercised the option of returning the policy and to get back the premium paid within 15 days of receipt of the policy. Hence the complainant is eligible to get the benefits as per policy condition only. As the policy is lapsed without acquiring surrender value, and the insured is not willing to renew the policy, nothing is payable under the policy and the complaint is, therefore, liable to be **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-012-471/2008-09

Elizabeth Joseph

Vs

Metlife India Insurance Co.Ltd.

AWARD DATED 27.04.2009

The complainant was issued with Met Smart Policy with investment option for an assured sum of Rs.50,00,000/- by depositing Rs.10,00,000/- , out of which, Rs.4,40,000/- was adjusted towards first premium. At the time of taking the policy, she was told that the entire premium paid will be invested and she could cancel the policy at any time by deducting only administration charges. She had withdrawn Rs.2,35,000/- in July and another Rs.4,84,000/- in August. On surrendering the policy on 22.08.2008, she got only Rs.1,09,447.79. The insured withheld Rs.4,50,552/- towards surrender charges. It was submitted by the insurer that at the time of taking policy, she was informed of all the terms and conditions and she joined the scheme only after fully understanding it. Also the policyholder had the option to cancel the policy under free look option within 15 days of receipt of the policy document. As this option was not exercised, she is eligible to get the benefit as per policy condition only. As per policy condition, during 2nd year of surrender, full first year premium is deducted as surrender charges. Having enjoyed the benefit of insurance policy, she could not now turn round and say that she should get full premium on surrender value. The surrender value can be allowed only as per policy condition. On going through the file, it can be seen that all amount due under the policy was paid by way of surrender value and the complaint stands **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-010-516/2008-09

Joseph George

Vs

Reliance Life Insurance Co.Ltd.

AWARD DATED 05.05.2009

The complainant had taken a Wealth Plus Health Policy with an annual premium of Rs.99,952/- which covers mediclaim benefit also for himself and his family members. On 17.09.2008, his wife was admitted in a hospital for treatment of ureterocele and she was discharged on 22.09.2008 after a surgical intervention. The claim was repudiated on the ground that the surgery was for correction of a congenital anomaly which is not covered under the policy, as per Cl.9 of policy condition.

Ureterocele is a prolapse of the terminal portion of ureter. Surgical correction is performed to prevent damage to the kidney. Hospital records show that the cause of ailment was the presence of a membrane on the urethra at the time of birth. Surgical correction is done to remove the membrane. Hence it is to be taken a congenital disease only. As congenital disease is not covered under the policy, the repudiation has to be upheld and the compliant is **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-017-267/2009-10

Shri K.A.Joby

Vs

Future Generali India Life Insurance Co.Ltd.

AWARD DATED 26.08.2009

The complaint under Rule 12[1][b] read with Rule 13 of RPG Rules 1998 is against the denial to cancel and refund of the premium paid under Pol.No.134610. The policy was taken in pursuance to proposal dated 15.05.2009 with half yearly premium of Rs.10,000/-. Immediately on receipt of policy document, he applied for cancellation of policy and refund of premium paid invoking free look option. However, the insurer denied cancellation of policy on the ground that he has applied for cancellation as it was not found possible for him to pay future premiums. According to the insurer, this is not a sufficient reason for cancellation of policy by invoking free look option. As per IRDA Regulation, policy can be cancelled only if the terms and conditions are not satisfactory. He has not stated which are the terms and conditions not satisfactory to him. The policy was issued after getting the signed proposal form and all terms and conditions were explained to him before issuing the policy. The inability to pay premium is not a condition to cancel the policy by invoking free look option.

There is no dispute to the fact that the application for cancellation was given to the insurer within 15 days of receipt of policy. Free look option is a benefit given to the policyholder, not by the policy condition but by IRDA Regulation. Even if the terms and conditions are explained to the insured, by virtue of this IRDA Regulation, the policyholder has the right to get refund within 15 days, if any of the terms and conditions is not satisfactory to him. Payment of premium is also part of the terms and conditions of policy. After submitting the proposal and getting the policy document, if he finds that it is not possible to pay future premium, it also amounts to terms and conditions not acceptable to him. As the application for cancellation was given within 15 days of receipt of policy document, he is eligible to get refund of premium paid. An award is, therefore, passed directing the insurer to refund the premium paid subject to Regulation 6[3] of IRDA Regulations 2002 with interest @ 8% p.a.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-331/2009-10

K.M.Abdul Karim

Vs

LIC of India

AWARD DATED 23.09.2009

The complainant has taken LIC Health Plus policy for a period of 10 years. The policy covers hospital cash benefit, major surgical benefit and also domiciliary hospitalization benefit. During the currency of the policy, the complainant met with an accident and was admitted in a hospital for 3 days and was discharged after treatment and surgery. The claim was allowed only for 1 day hospitalization benefit of Rs.500/-. The hospitalization benefit for 2 days and surgical benefits were not paid. It was submitted by the insurer that for every hospitalization, for the first 48 hours, no benefit will be payable. As the hospitalization was only for 3 days, only 1 day hospitalization benefit of Rs.500/- was payable. Regarding surgical benefit, it was submitted that only 49 major surgeries, which are listed in the policy, are covered as per the policy conditions. The surgery undergone by the insured will not come under any of the listed 49 items, and hence he is not eligible to get surgical benefit for the surgery.

Policy condition is very specific that hospitalization benefit is payable only for hospitalization in excess of 48 hours. Here there is no dispute to the fact that there was only 3 days hospitalization. Hence he is eligible for only 1 day hospital cash benefit, which was paid to him. Hence nothing more is payable under hospital cash benefit. As far as major surgical benefit is concerned, it can be seen that 49 major surgeries are listed in the policy and only those are covered. Here the surgery done to the insured do not fall under any of the 49 cases listed. Hence the insured is not eligible to get surgical benefit. Hence the complaint is **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-535/2008-09

K.P.Varughese

Vs

LIC of India

AWARD DATED 22.04.2009

LIC of India had issued Group Gratuity Pure Endowment Master Policy in the name of Adhyapaka Co-operative Bank Ltd. The scheme was started in 1979. As an employee of the Bank, the complainant was admitted to the scheme. He retired from the service on 18.4.2007, but he was sanctioned only Rs.3,50,000/-, the upper limit of gratuity payable under Gratuity Act. The contention of the complainant is that as he was having 33 years of service, he was expecting an amount of Rs.5,00,000/- as gratuity. LIC was giving staff data to the bank every year and in 2005, his gratuity eligibility was shown as 3,90,000/-. This amount will grow every year. Instead of getting an amount higher than Rs.3,90,000/- on his retirement after 33 years of service, he got only Rs.3,50,000/-.

It was submitted by the insurer that every year, on renewal of policy, the insurer prepares a cost and benefit schedule and issue to the master policyholder. The fund accumulated would be shown in the cost and benefit schedule. They prepare the cost and benefit schedule taking the upper limit of gratuity as Rs.3,50,000/- only and premium is collected for that amount only. In case a higher amount of gratuity is required, the insured must pay appropriate premium for the same. As premium stands paid only for maximum gratuity of Rs.3,50,000/-, they are liable to pay Rs.3,50,000/- only. Regarding the amount of Rs.3,90,000/- shown in the statement of 2005, it is submitted that, it was a mistake which was corrected in 2006.

On going through the master policy, it can be seen that the amount of gratuity payable is 15 days of salary for every completed year of service. Nowhere in the policy a maximum limit of Rs.3,50,000/- is shown. As the complainant had completed 29 years of service after commencement of the scheme, he is eligible to get gratuity for 29 years amounting to Rs.4,37,987/-. Of course it is contended that the insurer has not collected premium for that amount. But the beneficiary is not responsible for short collection. An award is, therefore, passed directing to pay the balance amount of Rs.87,987/- with interest @ 9% p.a. from the date of disbursement of Rs.3,50,000/- till payment and a cost of Rs.2,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-010-522/2008-09

Shri K.R.Ravi

Vs

Reliance Life Insurance Co.Ltd.

AWARD DATED 23.04.2009

Following an accident, the complainant was taken to VMM Hospital, Perumbavoor. On the next day, he was discharged with advice to undergo dental treatment. For this purpose, he was admitted in MOSC Medical College Hospital, Kolenchery and undergone treatment as IP till 22.09.2008. The policy covers cash benefit of Rs.600/- for every completed 24 hours of IP treatment in excess of first 48 hours. So in order to be eligible for reimbursement, minimum 72 hours hospitalization is required. The insurer repudiated the claim on the ground that in the first hospital, he was admitted for one day and in the second hospital, hospitalization was for less than 48 hours. As there is no hospitalization for a continuous period of 72 hours, the claim was repudiation by the insurer.

At first, he was admitted at VMM Hospital at 09:00 hrs on 18.09.2008. The next day morning, he was discharged with advice to consult a dentist. He was admitted in the second hospital in the evening of the same day itself. Of course, there is a gap of some hours between the 2 hospitalisations. The 2nd admission is a continuation of the first one and also as per advice of VMM Hospital, where he was admitted first. Usually it takes some time to get discharged from one hospital and get admitted in another hospital. Sometime will be required for consultation and other preparation. Hence both treatments have to be taken as a continuous treatment from the time of admission in the first hospital to the time of discharge from the second hospital. There is no justification in denying the benefit under the policy, treating it as 2 separate admissions. An award is, therefore, passed directing the insurer to pay the eligible amount of Rs.1,200/- with interest @ 8% p.a. and a cost of Rs.250/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-005-564/2008-09

K.T.Ramachandran

Vs

HDFC Standard Life Insurance Co.Ltd.

AWARD DATED 18.05.2009

Pursuant to proposal dated 23.09.2005, a unit linked plan with half yearly premium of Rs.5,000/- for a term of 10 years was issued to the complainant. After remitting 3 years premium, the policy was allowed to lapse by non-payment of premium. On his request for surrender value, he was paid only Rs.254.46 as against a premium payment of Rs.30,000/-. At the time of taking policy, he was told that upon surrender after 3 years, he will get the full premium paid. Aggrieved by this, he approached this forum for justice.

It was submitted on behalf of the insurer that they have acted only as per policy condition. This being a unit linked policy, the fund value will depend upon market fluctuation. As per policy condition, if premium is not paid within 15 days of due date, the policy will become paid up and the risk cover will continue and also regular charges will be deducted. When the fund value falls below the paid up value, the policy will be cancelled.

As per Cl.4 [vii] of policy condition, if any premium due after the period of 3 years remains unpaid 15 days after the due date, the policy will become paid up. All the fund management charges will be deducted from the fund value. The risk cover under the policy will also be continued for which risk premium will also be deducted from the paid up value. Hence on surrendering the policy after 3 years, the balance fund value will only be paid to the insured. Here policy was allowed to lapse after payment of premium for 3 years. The insured was informed by the insurer that in case of surrender, he will only be eligible for Rs.254.46 and had advised him to continue the policy in his own interest, as fund value is comparatively very less due to market recession. As the insurer had acted strictly according to policy condition, there is no reason to interfere in the decision of the insurer and complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/24-001-310/2009-10

**M.L.Dinaj
Vs
LIC of India**

AWARD DATED 23.09.2009

The policy taken by the complainant provides initial daily hospital cash benefit of Rs.800/- for himself and his wife and also major surgical benefit. During the currency of the policy, the complainant had met with an accident on 29.08.2008 and was hospitalized on the same day. After diagnosing ligament tear and applying immobilizer for ligament reconstruction, he was discharged on 31.08.2008 advising to come on 08.09.2008 for review. Thereafter, he was admitted on 08.09.2008 and was discharged on 14.09.2008 after surgery. Out of the 2 hospitalisations, hospitalization benefit for only the 2nd admission was paid. Surgical benefit and other expenses for both the hospitalizations were not paid.

It was submitted by the insurer that the policy covers daily hospital cash benefit and also major surgical benefit. 49 surgeries are listed in the policy which covers major surgical benefit. As the surgery conducted does not fall under any of the 49 surgeries listed in the policy, surgical benefit is not payable. For hospital cash benefit, first 48 hours is excluded for every hospitalisation. Hence only hospitalization in excess of 48 hours will be covered under the policy. As the 1st hospitalization was for less than 48 hours, it is to be repudiated. 2nd hospitalization was for 7 days for which 5 days benefit has been paid. Then the insured argued that as both the hospitalization was for one and the same illness, both are to be treated as one hospitalization and the benefit for 1st hospitalization also to be paid. But it is to be noted that as per policy condition, there is specific exclusion of 48 hours for every hospitalization. Also there is a gap of 8 days in between the hospitalizations. Hospitalisation benefit is paid only for confinement in hospital. Hence both hospitalisations cannot be clubbed together. The insurer has already paid all eligible amount as per policy condition and nothing more is payable under the policy. The complaint, therefore, stands **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-560/2008-09

**M.Remadevi
Vs
LIC of India**

AWARD DATED 28.05.2009

The complainant had taken a Jeevan Aadhar Policy for the benefit of her mentally retarded son for an assured sum of Rs.1,00,000/- with an annual premium payment for 10 years. The premium payment was over in January 2008. Thereafter, when she approached the insurer for claim amount, she was told that the policy being a whole life policy, payment of claim will be made only on the death of the insured and there is no maturity benefit under the policy. It was submitted by the insured that she had taken the policy for her retarded son and if the amount is received only on her death, nobody will be there to receive and manage the amounts received, as her son is retarded. She is afraid that on her death, nobody will be there to claim the amount and utilize it for the benefit of her son. She has taken the policy under the impression that on maturity of the policy, sum assured will be paid.

It was submitted by the insurer that Jeevan Aadhar policy is a special type of policy earmarked for the benefit of retarded persons, on death of their parents. On death of the insured parent, 20% of the sum assured is utilized for purchasing an annuity for the benefit of the beneficiary named in the policy. This being a whole life policy, there is no provision for settlement of maturity claim.

As the beneficiary is a retarded person, parents can nominate any other close relative to receive the policy monies on behalf of the beneficiary or a trust can be created for this purpose. In the absence of any other provisions, payment will be made to legal guardian appointed by a court of law.

As pointed out by the insurer, the policy is a whole life policy, where there is no maturity payment. Payment can be made at the time of death of the insured only. The complaint is devoid of any merits and hence **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-009-237/2009-10

Maya V.Chandran

Vs

Bajaj Allianz Life Insurance Co.Ltd.

AWARD DATED 26.08.2009

The complaint under Rule 12[1] [b] of RPG Rules is against partial repudiation of a claim under a mediclaim policy. The complaint was issued with a Bajaj Allianz Care First Policy for a sum of Rs.2,00,000/-. During the currency of the policy, she was admitted in West Fort Hospital, Thrissur, and had undergone treatment for Hepatitis 'C'. Out of the claim raised for Rs.2,72,016/-, only Rs.12,433/- was allowed by the insurer. The balance amount was disallowed as there are specific limitations in admissible amount for hospitalization, pre-hospitalisation and post-hospitalisation expenses. Aggrieved by this, he approached this Forum for justice.

The total claim consists of 3 parts; hospitalization expenses, pre and post hospitalization expenses. For hospitalisation expenses, as per policy conditions, only 80% of the eligible amount is payable. The claim for hospitalization comes to Rs.13,815.92, out of which, Rs.13,914.52 was found admissible and amount payable is only Rs.11,052/- which is 80% of admissible amount. As this amount was allowed by the insurer, there is no dispute regarding hospitalization expenses. Regarding pre-hospitalisation expenses, as per policy conditions, only 10% of the eligible amount is payable that too, expenses involved within a period of 15 days of hospitalization. Here all the bills were beyond 15 days of hospitalization. Hence nothing is payable as pre-hospitalisation benefit. Regarding post-hospitalisation benefit also, only 10% of the admissible hospital expenses are payable. As hospitalization expenses comes only to Rs.13,815.42, only Rs.1,381/- is payable. Hence the total amount payable under the policy works out to Rs.12,433/- only. As the insurer has already paid this amount, nothing more is payable as per the policy conditions. The complaint, therefore, stands DISMISSED.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-013-205/2009-10

Safiya Kabeer

Vs

Aviva Life Insurance Co.Ltd.

AWARD DATED 18.08.2009

The complainant was issued with a unit linked insurance policy with an annual premium of Rs.25,000/- payable for 10 years w.e.f. 02.06.2007. Later she requested for refund of premium

on cancellation of the policy. The insurer denied surrender value as request for cancellation was not received within 15 days. It was submitted by the complainant's husband that at the time of issuance of policy, he was not properly informed of the terms and conditions of the policy. As he is a NRI, he is not in a position to pay premium for 10 years. As he is illiterate, he was not able to read and understand the terms and conditions. As the policy was sold without giving full details of policy, he wants to get the refund of premium on cancellation of policy. It was submitted by the insurer that the terms and conditions were fully explained before issuing the policy. The complainant had signed the proposal form fully understanding the terms and conditions. The request for cancellation was received only after 1 year of issue of policy. Hence surrender can be allowed only as per policy condition.

The policy is a unit linked policy which was issued on the basis of proposal dated 29.05.2007. Along with the complaint, the insured submitted copy of First Premium Receipt and policy schedule. In all these documents, premium payable is shown as Rs.25,000/- yearly for 10 years. Hence it cannot be said that the complainant was not aware that premium paying term is 10 years. The copy of right to reconsider notice was also produced by the complainant. But she has not exercised the option of cancelling the policy within 15 days of receipt of the same. Hence the policy can be surrendered only as per the terms and conditions of the policy. As per policy conditions, surrender is possible only in the 4th year. At the time of hearing, mediation was attempted. The complainant wanted to convert the policy to a single premium policy. The insurer was prepared for the same if the insured was prepared to enhance the sum assured to Rs.50,000/-, which is the minimum sum assured under single premium policy. The complainant was not agreeable for the same. Hence the complaint stands **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/24-008-561/2008-09

Sukumaran Nair

Vs

Kotak Mahindra Old Mutual Life Insurance Co.Ltd.

AWARD DATED 10.06.2009

Pursuant to a proposal dated 03.12.2007, a Unit Linked Policy was taken for a sum of Rs.1,25,000/- with annual payment of premium for 10 years. The insured applied for surrender value under the policy on 11.05.2008, which was turned down by the insurer. Aggrieved by this, he approached this Forum for justice.

In the complaint, it was stated that at the time of taking policy, he was told that there will not be any hidden charges. But the insurer collected 56% as allocation charges. He has signed the blank proposal form and answers to all questions were filled by the agent. His intention was only to go in for a single premium policy. Instead he was issued with an annual premium payment policy for a term of 10 years.

It was submitted on behalf of the insurance company that the proposal was submitted for yearly premium payable policy for a term of 10 years and the policy was issued strictly according to the terms given under the proposal. The policy was issued in the first week of February 2008 and the request for surrender was received only on 11.05.2008. Along with the policy document, terms and conditions of the policy was also supplied which inter-alia provides a condition for cancellation of policy within 15 days of receipt of the same, if he is not satisfied with the terms and conditions of the policy. As the policyholder has not exercised this option, surrender can be done only as per policy condition i.e., only after payment of 3 yearly premiums.

There is no dispute to the fact that the policy document was received by the insured in February 2008. Along with the policy document, terms and condition of the policy was also supplied which provide an option of free look cancellation within 15 days of receipt of the same. Having signed a blank proposal form, the proposer cannot now turn round and say that he has applied for a single premium policy. The surrender application was given only on 11.05.2008 after 15 days of receipt of the policy. Hence the policy can be surrendered only as per terms and conditions given in the policy. The complaint is, therefore, liable to be **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-545/2008-09

T.K.Mathew

Vs

LIC of India

AWARD DATED 24.04.2009

The complaint was issued with a policy for an assured sum of Rs.1,00,000/- w.e.f. 28.03.2000 which provides accident benefit, disability benefit and also sickness benefit. The complainant had a massive myocardial infarction and he had to undergo bypass surgery. As immediate medical attention was not obtained, the functioning of his heart was affected. He was advised a very low grade physical activity. Being a bank employee, considering his physical condition, a convenient posting was given near to his place of residence, by creating an additional post, which required only low grade physical activity. After 2 ½ years, he was transferred from that place. As he could not accept the new posting due to physical disability, he opted for voluntary retirement from service. His claim for sickness benefit was repudiated as the insured was in his employment for more than 2 ½ years from the date of onset of illness.

As per the policy condition, if the age of the insured is below 65, he has to undergo an earning test. The disability must be such that there is neither then nor at any time thereafter, any work, occupation or profession that the life assured can ever sufficiently do or follow to obtain any wages, compensation or profit. Also the insured must prove with full details, the disability, within 120 days of disability. Here in this case, the insured was in service for 2 ½ years and was earning his salary. After 2 ½ years, he opted for voluntary retirement. Voluntary retirement is also a scheme wherein future salary is protected. Hence there is absolutely no loss in the earnings of the insured. Hence the complaint is devoid of merits and is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/24-005-475/2008-09

T.T.Prasanna Kumari

Vs

HDFC Standard Life Insurance Co.Ltd.

AWARD DATED 19.05.2009

Pursuant to proposal dated 30.09.2008, a unit linked policy was issued to the complainant on 01.10.2008. As the policy conditions were found unsatisfactory, the insured cancelled the policy invoking free look option. Against her expectation, an amount of Rs.30,128/- was deducted from the policy amount. Aggrieved by this, she approached this forum for justice. She has complained that against a deduction of 2.5% as allocation charges, as promised to her, an amount of 25% was deducted as allocation charges.

It was submitted by the insurer that all deductions made were as per policy conditions. She had paid a first premium of Rs.5,00,000/-, which was invested in growth fund and secured fund, in equal proportion, after deducting 25% towards allocation charges. This was made known to her at the time of taking the policy and the insured signed the proposal after fully understanding the policy conditions. As they have made all deductions strictly according to policy conditions, which has the approval of IRDA, nothing more is payable to the insured.

On going through the records, it can be seen that the amount remitted by the insured was deposited in equal amounts in secured fund and growth fund. From the units so purchased, education cess and service tax, policy charges, etc. are deducted by way of units. As per IRDA regulations, on surrendering the policy invoking free look option, the insurer has to refund the NAV of the units invested along with the other deductions made. In this case, the insurer had allowed the fund value of units invested along with all deductions made. As all these deductions and payments are according to policy conditions, nothing more is payable to the complainant and the complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-012-023/2009-10

U.Unnikrishna Menon

Vs

Metlife India Insurance Co.Ltd.

AWARD DATED 29.05.2009

The complainant and his wife had taken Met Smart Plus Policies for an assured sum of Rs.6,00,000/- each by submitting proposals dated 17.01.2008. The policies were issued on 06.02.2008 and 14.02.2008 respectively. As per the policy documents, premium at the rate of Rs.2,00,000/- each are to be paid for 38 and 44 years. It was submitted by the insured that his intention was to take a policy on a single premium basis and being a retired person, he is not in a position to pay annual premium @ Rs.2,00,000/- for 2 policies for a period of 38 and 44 years. On 23.01.2009, he sent a letter to the insurer complaining that instead of his request for a single premium policy, he got a regular premium policy and as the terms and conditions were not acceptable to him, he wants the entire premium to be refunded with interest.

It was submitted by the insurer that the policy was issued strictly according to the terms and conditions proposed by the complainant. The policies were despatched in the address given in the proposals on 06.02.2008 and 14.02.2008 which were returned undelivered by postal authorities. Hence as requested by the insured, the policies were delivered to one Mr.Ramadas in February 2008 itself. The insured kept silent for almost one year and only in January 2009, he complained that he is not satisfied with the terms and conditions of the policies. He has not invoked the free look option of cancelling the policies within 15 days of receipt of the same. Cancellation can be allowed only as per terms and conditions of the policy. As per the terms and conditions of the policy, surrender can be allowed only after 3 years.

In the case of a concluded contract, it can be dealt only as per terms and conditions of contract. As the policyholder has not submitted his application for cancellation of policies within the free look period, it can be surrendered only after 3 years, as per policy conditions. The policies were despatched on 06.02.2008 and 14.02.2008 in the address given in the proposal forms. As these policies have returned undelivered, it was again sent to one Mr.Ramadas as per instruction from the complainant. Hence the policies might have been received in February 2008 itself. But the cancellation request was given only in January 2009. It was stated by the complainant that as he was outside India, he received the policy documents only on his visit to India in January 2009. But it is to be noted that he has not given the exact date he reached India and also on what date he received the policy document. Also he has not given request for cancellation from India, but it was given only his reaching Qatar. Hence it can only be believed that cancellation request was sent only after 15 days of receipt of policy and hence, he can cancel the policy only as per policy conditions. The complaint, therefore, stands **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-222/2009-10

V.Chandrasekharan

Vs

LIC of India

AWARD DATED 14.08.2009

The complainant was an employee of FACT. Thus he is a member of the Employees' Superannuation Benefit Fund. The Trust had taken an insurance policy from LIC of India for payment of pension to the employees of FACT. The complainant retired on 31.05.2002 and he continued to get pension regularly. For that pension benefit, the Trust had paid a premium of Rs.79,886/-. As per contract, the same has to be returned to the nominee on the death of the annuitant. On 10.05.2008, the complainant requested for surrender of policy and return of corpus amount. The insurer denied surrender value on the ground that the policy vested after 31.03.2002. For policies vested after 31.03.2002, there is no provision for surrender. It was submitted by the insured that he had applied for surrender value for meeting medical expenses and there is provision for the same.

The annuity was purchased for the purpose of providing pension to the retired employees of FACT. On the date of retirement, the employee has the option to accept any one of 3 options. The complainant opted for pension for life and return of the corpus to the nominee on his death. There is no provision in the policy for availing surrender value after vesting. However, in 2005, the insurer has decided to allow surrender of annuity policies after vesting, on medical ground in case of policies vested before 31.03.2002. Here in the present case, policy vested only on 01.06.2002 and hence surrender of policy is not possible. The complaint is, therefore, liable to be **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-007-486/2008-09

Shri Y.Oommen

Vs

Max Newyork Life Insurance Co.Ltd.

AWARD DATED 07.04.2009

The complainant was issued with a Unit Linked Policy for an assured sum of Rs.2,00,000/-. The policy commenced on 18.10.2007. After one year, he got a unit statement and then only he understood that there is huge deduction from the invested amount towards administration charges, fund management charges, etc. He has complained that such deductions were not informed and explained to him while taking the policy. It was submitted by the insurer that the insured was well aware of the terms and conditions of the policy. All deductions and fund management charges were explained to him in detail before taking the policy. If he was not satisfied with it, he had the option to cancel the policy during the free look period of 15 days of receipt of the policy. He has not exercised that option. After availing insurance benefit for more than one year, he approached the insurer for cancellation of the policy, which is not permitted as per policy condition.

The representative of the insurer and the complainant discussed the matter in detail and the insured informed that his present complaint is only with regard to administration charges. As per policy condition, in the policy year 1 and 2, a charge @ 0.42% of sum assured will be charged every month and from the 3rd policy year onwards, a charge @ 0.07% of sum assured will be charged every month, subject to a maximum of Rs.100/- per month. According to the insurer, the maximum limit of Rs.100/- is applicable from 3rd year onwards only. But the complainant's case is that maximum amount that can be deducted is only Rs.100/- per month. Here the dispute is only regard to a particular clause with regard to policy administration charge. The Ombudsman gets the authority to adjudicate the same only when a claim arises under the policy. Here no claim under the policy has been raised. As the Ombudsman has no jurisdiction to adjudicate the real dispute, the complaint stands CLOSED.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-005-215/2009-10

Annie George

Vs

HDFC Standard Life Insurance Co.Ltd.

AWARD DATED 06.08.2009

The complainant is the holder of a unit linked insurance policy, which was taken through Union Bank of India, on 16.03.2009. The insurer informed that Union Bank of India ceased to be their Corporate Agent and all transactions to be done directly and not through the Bank. Not satisfied with this, the insured requested for cancellation of policy and refund of premium. As this request was turned down, he approached this forum. It was submitted by the insurer that as they have not received request for cancellation within 15 days of receipt of policy documents, they are not in a position to cancel the policy. Cancellation can be allowed only as per policy condition.

The reason stated for cancellation of policy is the change of agency. Agent is only acting on behalf of Principal. Agency is created only for convenience. Agent has nothing to do with the dealings of insured with the insurer. Hence it looks that the reason given for cancellation is not at all convincing and the complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-009-189/2009-10

Capt.Mathews Pathisseril
Vs
Bajaj Allianz Life Insurance Co.Ltd.

AWARD DATED 30.06.2009

On 17.03.2006, the complainant had taken a Unit Gain Policy by remitting 2 yearly premiums of Rs.1,75,000/- each. On 02.02.2007, he again paid Rs.12,000/- as top up. On 16.05.2008, he paid another amount of Rs.1,63,000/-. On 25.03.2009, he paid another renewal premium of Rs.1,75,000/-. Thereafter, he surrendered the policy. On surrender, 5% was deducted as surrender charges and 2% as allocation charges. In the complaint, it is stated that he had taken a policy for a premium paying period of 3 years. But he had to pay 4 yearly premiums and also on surrender, 7% of the amount was deducted from the surrender value as allocation and surrender charges.

It was submitted by the insurer that he had taken the policy by remitting 2 yearly premiums, one as regular premium and another as top-up, as per instructions of the insured. By treating this as top-up, the insured only stands to benefit, as otherwise, the premium has to be kept in suspense for one year till the next renewal premium falls due, without interest. The insured argued that he was not aware and told about the top-up facility and his intention was only to utilize the same for next renewal premium. The insurer had produced the copy of proposal form which contained provision to treat additional premium as top up. Also it is submitted by the insurer that deduction of 2% as allocation charges and 5% as surrender charges are only according to policy condition and no excess amount is recovered from the surrender value.

The main complaint of the insured is that instead of 3 yearly premiums, 4 yearly premiums were collected and also 7% of the premium was lived towards surrender & allocation charges; thereby he sustained a loss of about Rs.30,000/-. On going through the records, it looks that the insurance company acted only as per law. The additional premium paid along with the first premium was treated as top-up, as otherwise, this premium had to be kept in suspense account for one year without bearing any interest. Also by remitting the 4th yearly premium, the surrender charges are reduced to 5% from 10%. As per policy condition, surrender charges after payment of 3 yearly premiums is 10% and after payment of the 4th yearly premium, it is 5%. Hence the payment of 4th yearly premium only benefited the insured. He was able to save 5% of premium as surrender charge. As all the charges were well within the policy conditions, the complaint is liable to be **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-001-200/2009-10

Dr.Abraham Tharakan

Vs

LIC of India

AWARD DATED 09.07.2009

The complainant was issued with a Jeevan Plus Unit Linked policy for an assured sum of Rs.20,00,000/- at an annual premium of Rs.40,000/- w.e.f. 06.12.2005. While remitting the 2nd premium on 06.12.2006, it was returned stating that the policy was foreclosed. It was later revived by issuing a miscellaneous receipt. During the remittance of 3rd premium also, the policy status was shown as foreclosed. Then he requested the insurer to cancel the policy and refund the premiums paid. It was submitted by the insurer that it being a unit linked policy, the units are allocated on payment of premium and various charges under the policy was deducted by cancelling the units. Out of the 1st and 2nd premium of Rs.40,000/- each, 85% of the premium i.e., Rs.34,000/- each was allocated. Out of the allocated fund, various charges such as mortality premium, accident benefit, etc. are to be realized by cancelling units. But mortality premium itself comes to Rs.54,000/- for a year which was deducted on a monthly basis. Hence the yearly premium of Rs.40,000/- is not sufficient even to cover mortality premium and hence the policy was foreclosed. As per policy conditions, if premium is not sufficient to cover the risk under the policy, the policy will stand foreclosed automatically.

The policy was issued with an annual premium of Rs.40,000/- covering risk for Rs.20,00,000/-. Actual premium for covering Rs.20,00,000/- comes to Rs.54,000/-. Hence there is evidently an underwriting mistake. The policy was issued without collecting sufficient premium to cover risk under the policy. The insured is not prepared to continue the policy by remitting the balance premium amount. As the policy is issued without sufficient consideration, the contract is to be treated as null and void ab-initio and hence, all premiums paid are to be refunded. An award is, therefore, passed directing the insurer to refund the premium paid with 8% interest.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-009-436/2008-09

K.K.Chandran

Vs

Bajaj Allianz Life Insurance Co.Ltd.

AWARD DATED 29.05.2009

Pursuant to proposal submitted on 18.05.2006, a Unit Gain Policy was issued on 28.05.2006 for an assured sum of Rs.3,00,000/-. On 25.08.2006, he complained to the insurer that the date of birth was not correctly entered and the policy received by him was not the one applied for by the insured. It was submitted that he had issued a cheque for Rs.2,00,000/- to deposit Rs.1,00,000/- each in Bajaj Allianz Unit Gain Fund and Bajaj Allianz Equity Fund. He never proposed for a life insurance policy. Along with the cheque, he submitted 2 signed proposal forms, one duly filled in and the other one unfilled. The agent, Smt.Indu, cheated him by utilizing the unfilled proposal form without his permission. He was issued a life insurance policy with an annual premium of Rs.60,000/- and only the balance of Rs.1,40,000/- was invested in units. Also, his date of birth and age was wrongly noted in the policy document. This came to his knowledge when he received the policy document on his next visit to India. The insurer also denied him the opportunity to cancel the policy invoking free look option, by sending the policy to his address in India, instead of sending at his present address in Dubai. As both, the insurer and agent cheated him; he wants to get the entire premium refunded with interest, on cancellation of the policy.

It was submitted by the insurer that the policy was issued strictly in accordance with the proposal filled in and signed by him. As he has not exercised the option of cancelling the policy by invoking free look option, they are not in a position to cancel the policy. As per policy condition, cancellation is possible only after 3 years. They have issued the policy on 16.06.2006 and cancellation request was received only in August 2006. Regarding the mistake in date of birth, it was submitted by the insurer that the date of birth was admitted as per the age proof produced by the insured. They are still prepared to correct the same, but fresh underwriting rules will apply as underwriting requirements are based on the age of life assured.

The complaint of the insured is that the agent cheated him by utilizing the unfilled and signed proposal given by him. Instead of giving a proposal for Unit Gain Policy, the Agent filled in and submitted it for a life insurance policy. But it is to be noted that the insured is a Senior Engineer who is well educated and well versed with investment of fund. After signing the proposal form, he cannot turn around and say that it was not filled in by him. Also he has not disputed that the signature is not that of him. Also all insurance proposals are received through the agents only and the insurers are not in a position to verify the handwriting of the insured. Another complaint is that by sending the policy documents in his Indian address, he was denied of cancellation of policy by invoking free look option. But it is to be noted that nowhere in the proposal form, his foreign address was given. The only address given was his address in India and the policy was sent in that address only. Even the fact that he was an Engineer in Dubai was also not shown in the proposal. The complaint does not, therefore, deserve any merit and hence **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-003-528/2008-09

**Smt.Mercy Cyriac
Vs
SBI Life Insurance Co.Ltd.**

AWARD DATED 20.04.2009

The complainant applied for a unit linked policy by submitting proposal dated 04.10.2008 with a DD dated 04.10.2008 for Rs.1,01,000/-. The insurer received the proposal on 04.10.2008 and initially issued the policy by allotting units prevailing as on 13.10.2008 at the value of Rs.7/- per unit. The insured complained that the proposal was accepted on 10.10.2008 and hence, she is eligible for allotment of units at the value prevailing as on 10.10.2008 at the value of Rs.6.54 per unit. On complaining against this, the insurer took a retaliatory stand and issued policy with effect from 07.10.2008 at a unit value of Rs.7.35 per unit, thereby reducing the number of units. Aggrieved by this, the insured approached this forum for justice.

As per policy conditions, the units will be allotted on the basis of NAV prevailing on the date of acceptance of proposal or closing NAV on the date of realization of cheque, whichever is later. The insurer vide their letter dated 04.11.2008 had admitted that the proposal was accepted on 10.10.2008. The payment was made by local DD and hence the date of realization of DD must also be 10.10.2008. The insured is, therefore, eligible to get units at the prevailing NAV as on 10.10.2008. An award is, therefore, passed directing the insurer to issue policy for units @ Rs.6.54 per unit for the investible part of premium and also to the insured a cost of Rs.1,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-271/2009-10

**N.Sumesh
Vs
LIC of India**

AWARD DATED 13.08.2009

The complainant had taken a life insurance policy w.e.f. 20.09.2002 for an assured sum of Rs.5,00,000/-. After paying premium for 5 years, he applied for surrender value. He was paid only Rs.45,887/- by way of surrender value. Not satisfied with this amount, he approached this forum. It was submitted that as per information obtained from LIC website, an amount of Rs.1,35,000/- had already vested under the policy. But what he had received by way of surrender value was only Rs.45,887/-. It was submitted on behalf of the insurer that on

surrendering the policy, either the guaranteed surrender value or special surrender value, whichever is higher, is payable. In the present case, the guaranteed surrender value being higher, the same was paid along with cash value of vested bonus and hence nothing more is payable under the policy. It looks that the insured is under the wrong impression that at the time of surrender, full vested bonus will be paid. However, on surrendering, only the cash value of vested bonus will be paid. As the insurer had paid full surrender value under the policy, nothing more is due to the complainant. The complaint, therefore, stands **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/24-011-551/2008-09

V.K.Srivatsava

Vs

ING Vysya Life Insurance Co.Ltd.

AWARD DATED 17.06.2009

The complainant was issued with a Best Years Retirement Plan Policy w.e.f. 31.03.2005 with vesting date as 31.03.2016. On 08.05.2008, he surrendered the policy. But he was given only Rs.27,627.97, whereas, as per fund statement received by him, the amount to his credit comes to Rs.32,178.83. He had preferred a complaint before the Ombudsman for getting the balance amount. It was submitted by the insurer that the fund value of Rs.32,178.83 as on 31.03.2008 is payable only at the date of vesting. In case the insured opt for surrender, the surrender charges and some other charges as per policy condition will be deducted and only the balance amount will be paid. Here in the present case, the fund value as on 31.03.2008 and bonus from 31.03.2008 to the date of surrender will come to Rs.32,511.42. Out of this, they have deducted 2.5% as fund management charges, surrender penalty 5% and also market value adjustment of 7.5%. Hence the net amount payable will be Rs.28,569.41, out of which, they have paid only Rs.27,627.97. They are prepared to pay the balance amount of Rs.941.44.

From the statement given by the insurer, it can be seen that the insured is eligible for an amount of Rs.30,885.85 after deducting 2.5% as fund management charges and 5% as surrender charges. Out of this, they have deducted 7.5% as market value fluctuation charges. On asking to show the policy condition enabling the insurer to make such a deduction, the representative of insurance company was not able to show such a policy condition. Hence it looks that this recovery was unauthorisedly made from the surrender value and the insured is eligible for an amount of Rs.30,885.85. But he was paid only Rs.27,627.97. An award is, therefore, passed directing the insurer to pay the balance amount of Rs.3,257.88 with interest @ 8% p.a. and a cost of Rs.500/-.

KOLKATA

Miscellaneous

Kolkata Ombudsman Centre

Case No. 610/22/003/L/01/08-09

Shri Sitaram Agarwal
Vs.
TATA AIG Life Insurance Co. Ltd.

Award Dated : 27.04.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against mis-selling and change in premium mode.

The complainant purchased a TATA AIG Policy (No. U-004167004), after being convinced by TATA AIG agent in their agency leader's office in UBI, Dam Dam Branch, Dist.- Jalpaiguri. He purchased the policy on the impression that it was a single premium policy and would be doubled after 3 years (as explained by the agent). He accepted the proposal and signed for a policy of Rs.40,000/-. Thereafter, he fell ill and after recovery when he went through the policy document, he found that it showed next premium due date. He made several correspondences with the Insurance Company for cancelling the policy and refunding the premium as he was not in a position to pay the said premium every year. As he did not receive any response, he approached this forum seeking justice for the above mentioned grievance. He submitted P-forms and gave unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurer and the complainant.

In spite of our intervention, we have not received the Self Contained Note (SCN) from the insurer till date. But the letter of TATA AIG dated 28.08.2008 addressed to the complainant states that they are unable to accede to the request of cancellation of the policy and refund of premium as it had past the "Free Look Period".

HEARING:

In response to a notice of hearing both the parties attended. The complainant was represented by his son with proper authorization letter. The representative of the insurance company has stated that a policy was taken by the complainant for a cover of Rs.4 lacs at an annual premium of Rs.40,000/- and the same was issued on 10/03/08. The complainant approached the insurance company for cancellation of the policy in August, '08 which was beyond the 'Free Look Period' granted to a policy holder. Therefore, according to the insurer, they were correct in refusing to refund the premium.

On the other hand, the representative of the complainant has stated that his father was illiterate but he learnt to sign in English through number of years of experience. Therefore, when the policy bond was received by his father he could not go through

the same and by the time children were asked to go through the policy bond, the free look period was far gone. His father was under the impression that there was only a single premium payable and that the total amount will be payable by the end of 3 years. When he went through the bond they found that it was an annual premium policy and Rs.40,000/- was to be paid for 20 years. Since they were not in a position to pay the annual premium for such a large amount they requested for refund of the same even through the free look period is over. Therefore, he pleaded that his prayer for refund of the premium may be favourably considered.

During the course of hearing, the representative of the insurance company was asked whether there was break-up of premium paid, into investment portion and mortality rate portion. Readily the document was not available with him. Thereafter, the complainant produced a copy of the same in which it had been mentioned that total policy fees and premium charges are Rs.8,000/- while the investment portion was Rs.32,000/-. At this juncture, the complainant was informed that since first year of the policy has elapsed on 10/03/09, the premium for the cover of the first year cannot be refunded under the insurance regulations. Therefore, he was suggested offer of refund of investment amount of Rs.32,000/- only, irrespective of the fact they have been placed in units with NAV, which was acceptable to him. The complainant has agreed with the suggestion. The representative of the insurance company has stated that they would honour the order of the Hon'ble Ombudsman.

DECISION:

In the light of the above, we direct the insurance company to pay the entire amount of Rs.32,000/- kept as investment in lieu of unit value as per the NAV, if any.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 685/23/001/L/02/08-09.

Shri Atri Laha.

Vs.

Life Insurance Corporation of India.

Award Dated : 27.05.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against change in policy condition relating to claim.

The complainant paid Rs.20,000/- on 14.03.2008 to purchase a Unit Linked Life Insurance Policy under Plan-187 but on receiving the policy bond on 09.09.2008 he found that policy no. 419076957 was issued under Plan 181. He took up the matter with the concerned Branch on the same date and the Branch Officials reportedly admitted that the Life Assured (LA) submitted proposal under Plan-187 but policy was issued under Plan-181 and they were unable to rectify mistake. So, he approached this Forum and submitted P-forms for complying with the original proposal and gave his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

We received a Self Contained Note (SCN), Burrabazar Branch (instead of from KMDO-I). They stated that change of Plan was done by mistake but rectification was not being allowed by the system. They had taken up the matter with their appropriate authority for solving the technical problem. They had no ulterior motive behind the human error. They gave their consent for mediation by the Hon'ble Ombudsman.

HEARING:

In response to a notice of hearing both the parties attended. The representatives of the insurance company stated that the complainant opted for Plan-187 as per his proposal. However, he was granted a policy under Plan-181. Due to technical problems, they were unable to change the policy plan from 181 to 187. At the time of hearing, they have also filed a Self Contained Note (SCN) stating that it was a human error committed by issuing a policy under Table-181 instead of Table-187.

On the other hand, the complainant pleaded refund of premium paid as he was not satisfied with the services rendered by the LICl.

DECISION:

Keeping in view that an error has been committed by the LICl, we propose to grant the request of the complainant. Therefore, we direct the insurance company to give the refund of the premium of Rs.20,000/- and also pay penal interest on the amount as per the terms and conditions.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 784/22/012/L/03/08-09.

Shri Arindam Debnath

Vs.

MetLife India Insurance Co. Ltd.

Award Dated : 29.05.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against mis-selling of policy.

The complainant is the Life Assured (LA) Shri Arindam Debnath, the holder of the policy no. 1200800642246. At the time of purchase the agent explained about policies and stated that after paying premium for 3 years he would get 15% interest but after receiving the policy it was found that the stipulated term is 15 years. He stated that being a painter it would be difficult for him to pay premium @Rs.50,000/- yearly for 15 years. So, he desired to cancel the policy and appealed for return of the premium i.e. Rs.50,000/-.

The insurer is MetLife India Insurance Co. Ltd. As per their Self Contained Note (SCN) the cancellation intimation was received on 19.02.2009 and already five months had elapsed. Free Look Period which was for 15 days had also completed. So, the premium which was already adjusted could not be refunded.

HEARING

In response to a notice of hearing both the parties attended. The representative of the insurance company stated that the policy could not be cancelled since Free Look Period had elapsed. However, they admitted that the premium that had been paid consisted of two parts viz., the investment portion and mortality rate cum administrative expenses portion.

On the other hand, the complainant stated that he is not in a position to continue the policy. Therefore, he requested for refund of the premium even though the request to the insurance company was made after Free Look Period.

DECISION:

The policy commenced on 31st August, '08 and the policy documents were forwarded to the policyholder on 08/09/08. The policyholder requested for cancellation only on 19/02/09, little more than 5 months after the policy documents were received. Obviously, this was beyond the Free Look Period of 15 days. There is no genuine reason for such a long delay. We have to agree with the Insurance Company that cancellation and refund of total premium cannot be acceded to. However, we are of the opinion that the investment portion of the money still belongs to the policyholder and therefore, we direct the insurance company to refund the investment portion of the premium which is lying in the form of units allotted to him on the day of commencement of the policy. The policyholder can exercise this option whenever it is convenient to him. This recommendation will be effective on receipt of consent from the complainant.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 680/22/006/L/02/08-09.

Shri Susanta Chakraborty

Vs.

Birla Sun Life Insurance Co. Ltd

Award Dated : 29.05.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against non adjustment of premium.

The complainant had taken a policy no. 001133196 from Birla Sun Life Insurance Co. Ltd., and since paid three half-yearly premiums of Rs.1,50,000/- each on 25.07.2007, 29.01.2008 and 28.07.2008 amounting to Rs.4,50,000/-. The third premium was paid through Credit Card on 28.07.2008 but he stated that it was not credited against his policy. He had made several follow-ups with the insurer and subsequently, asked for refund of entire sum of premiums paid with interest. But as he received no response from the Insurance Company, he approached this forum seeking justice for the above mentioned grievance. He submitted the P-forms along with unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurer and the complainant.

The insurer had submitted the Self Contained Note (SCN) dated 22.04.2009 wherein they stated that the complainant had taken an insurance policy under Gold Plus Plan vide Application No. A 7056919 dated 25.07.2007 for face amount of Rs.15,00,000/- and agreed to pay premium of Rs.1,50,000/- by Credit Card semi annually. The complainant paid 3 premiums of Rs.1,50,000/- on 25.07.2007, 29.01.2008 and 28.07.2008 by Credit Card but inadvertently due to system error the last transaction was not reflected in the premium paid certificate issued on 10/2008. The system error had since been rectified and the transaction is visible in the latest premium paid certificate on 22.04.2009 showing the effective date of deposit as 28.07.2008 amounting to Rs.1,50,000/- and the total amount received by Birla Sun Life Insurance Co. Ltd is Rs.4,50,000/- as on date. The insurer further stated that the complainant had not suffered any financial loss as the effective date of receipt of premium was the same being the day on which the premium was paid. They also added that there is no provision for cancellation of policy and as the complaint has been resolved, they have requested for dismissal of the complaint.

HEARING

In response to a notice of hearing only the representative of the Insurance Company attended and the complainant did not attend or did he send any letter for adjournment. The representative of the insurance company stated that there was some mistake in issuing the premium paid certificate and the same had been corrected and proper receipt of the premium paid has already been sent to the complainant with effective date as 27/08/08. According to him, the complainant did not suffer any financial loss. Therefore, he stated that the complaint was properly redressed and requested for closure of the same.

DECISION:

As the complainant did not attend we presume that he is satisfied with the fact that premium receipt has been given with effect from the date of deposit. The request he made with regard to the refund of the premium cannot be acceded to as this office has no jurisdiction to adjudicate on premiums that have been paid or settled. He is therefore to seek redressal from the Company or go to any other forum as deemed fit. It is felt that as the main complaint has been satisfactorily redressed, no further intervention is called for by this forum. Therefore, the petition is dismissed.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 619/24/001/L/01/08-09

Smt. Babli Debi

Vs.

Life Insurance Corporation of India

Award Dated: 29.05.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against non-payment of Accident Benefit.

The complainant is the W/o Rajesh Kumar and nominee for his policy no. 514902112 with Date of Commencement (DOC) : 28.12.2006 for Sum Assured (SA) Rs.50,000/- under T/T 179-20. The Life Assured (LA) was murdered on 29.04.2007

at the age of 25 years. The policy was in full force at the time of death. LICl paid death-claim for Basic Sum Assured (BSA) but Accident Benefit (AB) was not paid. The claimant was aggrieved because even after submission of PMR, FIR, Forensic Report and Charge Sheet, the insurer did not settle AB. So she approached this Forum but did not submit P-forms.

Intervention was made with the insurer but we did not receive their reply till the date of hearing.

HEARING

In response to a notice of hearing both the parties attended. The representative of the insurance company stated that they had already settled the death-claim. However, they did not release the accident benefit as the death of the LA occurred due to murder. According to them, there is no proof that the murder was accidental. The insurer has quoted NCDRC judgment in the case no. 204 of 1999 where a ruling was given by NCDRC. In that decision it was stated as under:-

“The difference between a ‘murder’ which is not an accident and ‘murder’ which is an accident depends on the proximity of the cause of such murder. If the dominant intention of the act of felony is the kill of any particular person then such killing is not an accidental murder, but is a murder simplicitor, while if the cause of murder or act of murder was originally not intended and the same was caused for furtherance of any other felonious act, then such murder is an accidental murder.”

Therefore, the representative of the insurance company stated that the decision not to grant AB was correctly taken.

On the other hand, the representative of the complainant stated that a murder had taken place and, whether it was intentional or not, it was a case of an accident and therefore, the complainant should get the accident benefit. Hence he pleaded that her case may be considered favourably.

This Office of the Insurance Ombudsman in a similar case by their Order dated 30th May, '08 vide no. 667/21/001/L02/07-08 had decided that the Office of the Insurance Ombudsman did not have the mandate to determine whether a murder is an accident or not and therefore, suggested the complainant in that case to seek redressal in a court of law with regard to the determination of the act as accident or not.

DECISION

Though it is felt that a murder creates a trauma for the family and it appears to be an accident for the family, since this forum has taken a stand that Insurance Ombudsman does not have the wherewithal to determine whether an act is an accident or not, we are unable to take a decision in this case.

Keeping in view that the Office of the Insurance Ombudsman is not mandated to determine whether the above act is an accident or not, we are unable to arbitrate in this petition with regard to the payment of Accident Benefit under the Insurance Policy. Therefore, we do not have any other alternative but to dismiss the case and request the complainant to seek the relief elsewhere. If the Judicial Authorities determine that the above event was an accident, the complainant can seek relief with LIC for payment of AB.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 778/22/001/L/03/08-09

Shri Rabindra Nath Sarkar

Vs.

Life Insurance Corporation of India

Award Dated : 15.06.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against wrong adjustment of premium.

The complainant, Shri Rabindra Nath Sarkar, is the Life Assured (LA) of the policy no. 499828116 with Date of Commencement (DOC) : 21.01.2009 with Sum Assured (SA) of Rs.3,00,000/- (Single premium) under T/T 195/10/01. As per details of the petition the proposal was submitted for 5 years term and without the consent of the LA the term was changed to 10 years and even after several requests it was still not corrected. The LA was not at all interested in continuing the policy with 10 years term.

No Self Contained Note (SCN) was submitted till date. One letter is found on records where the CRM of Howrah Division expressed that due to heavy workload the policy was wrongly issued with term 10 years instead of 5 years. He had regretted his mistake. Simultaneously he requested the policyholder to agree with their terms and conditions as there are many additional benefits for a policy with 10 years term.

HEARING

In response to a notice of hearing both the parties attended. The complainant prayed that the policy should be corrected for a 5 years term

policy with a single premium starting with the same date of commencement. The representatives of the insurance company stated that they had already corrected the policy in the computer and the status report of the policy indicated the term of the policy, the date from which it has commenced. The party was informed of the present status. Further, the complainant requested for the expenses that he has incurred due to his travel and meetings with the Insurance Authorities. He was informed that no damages are payable under the RPG Rules, 1998.

DECISION

Since the Insurance Authorities have rectified the policy document on the computer and since it is as per same terms and conditions as prayed by the complainant, it is felt that the complaint has been substantially redressed; therefore, no further intervention is called for by this forum.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 702/24/001/L/02/08-09

Shri Ras Bihari Mahto

Vs.

Life Insurance Corporation of India

Award Dated : 15.06.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against non-payment of disability benefit claim.

The complainant, Shri Ras Bihari Mahto, H/o Smt. Surti Devi, had purchased a policy no. 521316188 from Madhepura Branch on the life of his wife with Date of Commencement (DOC) : 28.12.2000 for Sum Assured of Rs.50,000/- under T/T 124/15/15, and Hly premium of Rs.2541/-. He stated that he had submitted all the required papers for sanction of Disability Benefit to the Insurance Company on 28.03.2008 and submitted the claim for disability benefit along with all the documents on 29.05.2008 but he had not received any payment from the insurer. He neither explained the reasons for claiming disability benefit nor submitted the P-

forms. He submitted a Disability Certificate from the Civil Surgeon cum Medical Officer, Medical Board, Madhepura for the handicapped, Madhepura which stated that the disability was 50% for "Hemiplegia with deformity of RL upper limb and RL lower limb with weakness of RL upper limb & lower limb."

We have not received any Self Contained Note (SCN) from the insurer till date.

HEARING

In response to a notice of hearing only the representative of the insurance company attended. The complainant did not attend nor did he send any letter for adjournment. The representative of the insurance company stated that as per the policy condition, the Accident Benefit (AB) may be allowed only in the case of permanent disability due to an accident and not to any permanent or partial disability due to a sickness or ailment. According to him, in this case, the patient suffered 50% disability due to paralysis and the doctor from the medical board has certified to that effect. Brain Scan report revealed Large Cortical infarct in left side in anterior watershed zone of anterior and middle cerebral artery territory and Doctor's report did not mention any accidental injury. Therefore, according to him, LIC did not have liability to pay AB as per the policy conditions.

DECISION

As the complainant did not attend nor did he send any adjournment letter we propose to deal with the matter on ex-parte basis.

It is abundantly clear that the patient had suffered disability due to paralysis. As per the policy conditions under the AB, the permanent disability should be due to an accident and not due to any disease. In this case, even due to the disease the patient suffered only 50% of disability which cannot be treated as permanent as per the medical certificate.

Keeping in view the above, we hold that the Insurance Company was correct in denying the AB as claimed by the complainant. We, therefore, dismiss the complaint and the complainant does not get any relief.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 781/21/003/L/03/08-09

Shri Shri Biman Bihari Maiti

Vs.

Tata AIG Life Insurance Co. Ltd

Award Dated: 30.06.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of critical illness claim.

The claimant Shri Biman Bihari Maiti is the husband of Smt. Jogmaya Maiti, the patient (Life Assured). The claimant has submitted his critical illness claim of hospitalization operation charges of Carcinoma Breast (right) with liver Metastasis (Mastectomy done on 11.04.2006) and treatment of 1st Cycle of Palliative Chemotherapy as available under Health Protection Plan Policy No. C 201282559. The necessary papers and bills and discharge summary were also enclosed with the claim form, and the insurance company did not honour the claim.

The insurance company collected many records from various hospitals which speak that the patient was suffering with so many diseases, e.g., the Right Breast Carcinoma and Metastasis Mastectomy was done in the year 2005. (Prior to risk coverage). The patient had received chemotherapy Rx X 6 cycles with injection Endoxan. The patient was suffering from Diabetes since 01.04.2004. One prescription was submitted by the insurer from the West Bank Hospital, Howrah, wherein it was found that Smt. Jogmaya Maiti was suffering from diabetes with effect from April, 2004. So, the Insurance Company claimed that they were right in their decision of repudiation as the patient had suppressed the material facts at the time of submission of proposal of Health Protection Plan from Tata AIG Life Insurance Company.

HEARING

In response to a notice of hearing both the parties attended. The representative of the Insurance Company stated that the policyholder had taken a policy with Health Protector Scheme for medical illness cover of Rs.30,000/-. Policy was effected from 13th March,'06. According to him, there was a scheme for covering of medical treatment of cancer under the Critical Illness Clause and though Carcinoma was covered under the Critical Illness Clause, the basic condition that the insured should not suffer from any pre-existing disease held good for this clause also. Accordingly, as it was early claim, they found out on investigation that the assured was suffering from many illnesses before submission of proposal such as right breast carcinoma & metastasis mastectomy which was done

In year 2005 and the patient had also received many cycles of chemotherapy. Since these medical procedures were done before the inception of the policy and not mentioned in the proposal, the reimbursement for medical illness could not be made for the treatment of a pre-existing disease. Therefore, the insurance company repudiated the claim and according to the representation the decision of the Insurance Company was correct.

On the other hand, the complainant stated that the proposal was only signed by the policyholder and was filled-up by the agent and therefore, in spite of the information with regard to carcinoma available to the agent, the agent did not fill-in the correct details. Therefore, according to them, there was no mis-representation on their part and he pleaded that the case should be considered for re-imburement of the expenses to the extent of cover given under critical illness

DECISION

We are satisfied with the arguments given by the Insurance Authorities that the critical illness cover would be available only to those diseases which do not exist before the inception of the policy. Probably, if this information was given in the proposal, the underwriting decision would be differed. At this juncture, the complainant stated that he had paid three premiums to keep the policy running. Keeping in view that the policy may not be renewed any further and keeping in view that the claim under critical illness is not eligible, we propose to grant some ex-gratia payment equivalent to the premium paid by the policyholder. Therefore, we direct the Insurance Company to pay an ex-gratia an amount of Rs.4,500/-.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 033/22/006/L/04/09-10.

Smt. Fahmida Khatoon

Vs.

Birla Sun Life Insurance Co. Ltd.

Award Dated : 16.07.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against wrong adjustment of premium.

The complainant, Fahmida Khatoon is the Life Assured (LA) of the policy no. 001454968. As per her version, she is a retired employee and she purchased the policy as a single premium policy for 5 years. The policy was received by her after few months and was handed over by the IDBI Staff. On good faith LA did not verify the terms and conditions. Finally, after receiving the Policy Account Statement, LA found that every month the insurance cost & service tax were deducted which accumulated to Rs.12118.68 per year. All these things were not clearly discussed at the time of signing the proposal. So, the LA lodged the complaint for refund of full premium.

The LA submitted P-forms and given her unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

The Insurance Company submitted the SCN in which they explained that after fulfilling all the terms and conditions the proposer signed the proposal. Moreover, the complaint was received after the expiry of Free Look Period. So the company was not at all willing to refund the money.

HEARING:

In response to a notice of hearing both the parties attended and the complainant was represented by her husband, Shri Abdul Hakim Kayal. The representative of the complainant stated that the complainant was hoping that the policy would be a single premium policy and when she obtained the policy certificate, she felt that she was cheated as per the terms and conditions of the policy and therefore requested for the refund of the premium.

On the other hand, the representative of the Insurance Company stated that the complainant submitted for refund of premium on cancellation of the policy after the Free Look Period and therefore, they were not in a position to refund the premium. According to them, the policy no. 001454968 was issued to the complainant as per the proposal dated 04/02/08 for a premium of Rs.48,684/- . According to him, she applied for the refund only after the Free Look Period was over and therefore, they were correct in not giving the refund of the premium amount.

On the other hand, the husband of the complainant stated that she took the policy as she was advised by the Banker regarding the benefits that would accrue to her on taking of such policy. He stated that the complainant was a retired employee and she will not be able to pay the same premium every year to sustain the policy and therefore, he requested that the premium amount may be refunded although the application for refund was filed after the Free Look Period.

DECISION:

We tend to agree with the arguments of the complainant as she failed to understand that premium was to be paid every year and that she was not

In a position to continue the policy as the premium was very high. However, since one year had already elapsed, she would not be able to get the entire refund of the premium as she was covered for one year under the policy. Therefore, we direct the insurance company to pay an ex-gratia amount of Rs.36,000/- as refund after deducting the mortality rate for one year and service tax, if any.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 788/22/009/L/03/08-09

Smt. Sikha Ghosh

Vs.

Bajaj Allianz Life Insurance Co. Ltd

Award Dated : 05.08.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against Refund of premium.

The Life Assured (LA) prayed for refund of premium paid since the policy was issued with regular premium mode other than that was sought for. She submitted P-forms and consent letter.

The complainant, Smt. Sikha Ghosh stated that she had applied for four policies @ Rs.50,000/- each as single premium policies for both husband and herself but after receiving the policies they found that all the policies were in regular yearly premium mode for 10 years term. Then, she decided to cancel one policy out of two which was in her name and submitted for cancellation within Free Look Period on 28/08/2008 which was received by the Insurance Company on 02/09/2008. It may be noted that the two policies which were in the name of her husband Mr. Rati Kanta Ghosh had already been cancelled. Smt. Ghosh submitted her complaint for refund of premium of Rs.50, 000/- against policy no. 0103543514.

The complainant had submitted the cancellation request within the Free Look Period as the receipt of policy bond was on 28/08/2008 and cancellation request was on 01/09/2009.

Insurer had replied to the complainant on 06/02/2009.

Letter of regret was sent to LA (Policy no. 0103543514 on 06.02.2009). In that letter the Insurance Company expressed their inability to refund the premium Rs.50,000/- as the cause was not genuine due to the fact that the LA had purchased two policies in her name which were same in nature, terms and conditions. However, according to them, the LA had applied for cancellation of one policy only stating the reasons mismatch in terms & conditions. The Insurance Company had submitted the SCN dated 11/05/2009. The consent was also given in that letter.

HEARING:

In response to a notice of hearing both the parties attended. According to the representative of the Insurance Company, the claim of refund within the 'Free Look Period' was for the reasons that there was a mismatch in terms and conditions and according to him there was no mis-match and two policies which were taken by the insured were absolutely similar and that the insured had decided to continue one policy and sought refund of the premium with regard to the second policy. According to him, the Company had the right to reject refund of premium if the reasons given for refund are not acceptable.

On the other hand, the complainant stated that she along with her husband had taken two policies each and her husband had cancelled his policies and got back the refund while in her case, she continued one policy and requested refund of premium on another policy but the Insurance Company did not refund the premium on that policy bearing policy no. 0103543514. Therefore, she stated that she was willing to continue one policy but she was not in a position to continue the second policy and therefore, pleaded for refund of the premium.

DECISION:

On going through the documents submitted by both the parties, we find that any refund sought for within the 'Free Look Period' should be granted irrespective of the reasons for such cancellation. Therefore, we direct the insurance company to refund the premium immediately along with interest @ 2% more than the market rate from the date of the completion of the 'Free Look Period' to the date of issue of the refund.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 162/22/001/L/05/09-10

Smt. Lekha Bhowal
Vs.
Life Insurance Corporation of India

Award Dated: 10.08.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against dispute in adjustment in premium.

The complainant had taken a policy from Baranagar B.O. and opted for ECS payment from 02/03/2005. She had submitted the premium due from 15/06/2005 through ECS from her UBI Account No. 148334 but was informed by the insurer that the policy was lapsed due to non-payment of premium of Rs.3885/- due on 15/05/2008. She also stated that as per her Pass Book the said amount had been debited from her account by LIC on 18/06/2008. She made several follow-ups with the insurer for adjustment of the premium but did not receive any positive response. She prayed for waiver of late fee as relief.

At the time of hearing, the LIC submitted a letter dated 6/8/09 in which it was stated that they have directed their Baranagar Branch to receive the pending premiums without charging any penalty or late fees from the policyholder. They have also stated simultaneously on a letter issued to the policyholder dated 05/08/09 asking her to contact the Branch Office to co-operate and sort out the issue.

HEARING:

In response to a notice of hearing both the parties attended. The complainant was also accompanied by her husband. The representative of the insurance company reiterated the same points that had been mentioned in their letter dated 06/08/09 submitted at the time of hearing. They also stated that the letter dated 05/08/09 addressed to the policyholder indicated a directive for payment of premium to the extent of Rs.11,655/-. According to them, this included the premium of Rs.3,885/- which was debited to the Bank Account of the complainant, as the same amount had not been received by LIC. At this juncture, the husband of the complainant has shown the premium receipt given by KMDO-I for Rs.3885/- and the debit entry in the pass book. On behalf of the complainant he prayed that the policy may be allowed to be continued after giving adjustment to the debit entry of Rs.3885/-.

DECISION:

This Office is not concerned with difficulties with regard to adjustment of payments through ECS between the Banks and the LIC. In this case, there is a proof that the

LICI received an amount of Rs.3,885/-. Therefore, it is clear that there was a fault in the ECS system of the bank and the adjustment methodology of the LICI. The policyholder should not suffer for no fault of her own. Therefore, we direct the insurance company to adjust the amount of Rs.3885/- against the amount mentioned in the letter dated 05/08/09 of Rs.11,655/- towards premium and after receiving the amount of (Rs.11,655-3885)=Rs.7770/- without charging penalty or fees the insurance company is directed to reinstate the policy and inform this forum about the compliance of the same.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 225/22/007/L/06/09-10

Shri Sanjoy Rajak

Vs.

MAX NEW YORK Life Insurance Co. Ltd

Award Dated : 14 .09.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against dispute in premium.

Shri Sanjay Rajak is the complainant and the Life Assured of the Policy. He added that he had purchased one policy from Max New York Life Insurance Co. Ltd in the month of February, 2009 and received the policy on the same month. After that he had submitted the cancellation request of the policy on 03/03/2009 which was within the free look period. But no response was received from the insurer. So he lodged this complaint for redressal. The LA has submitted the P-forms along with unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

The Insurance Company has denied to cancel the policy stating that the request for cancellation was beyond the free look period. No Self Contained Note (SCN) was received from the Insurance Company. So the details could not be ascertained.

HEARING:

In response to a notice of hearing on 08/09/09 only the complainant attended. The representative of the insurance company did not attend. According to the

complainant he had taken a policy by paying the premium of Rs.15,000/- on 02/02/09, he received the policy bond on 20/02/09 and requested for cancellation on 03/03/09. According to him the request was within the Free Look Period and therefore under IRDA rules refund was allowed. He submitted evidence to show that he filed the cancellation letter on 03/03/09 at Durgapur Branch of the Insurance Company. We do not have the defence of the insurance company as the representative did not attend the hearing. This state of affairs should not be continued and it may be informed to them that an adverse view would be taken in future

DECISION:

From the above evidence it is clear that the policyholder has requested for the refund of premium within the Free Look Period. Therefore, we direct the insurance company to pay the entire amount to premium as refund.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 221/22/007/L/06/09-10

Shri Amit Sinha

Vs.

MAX NEW YORK Life Insurance Co. Ltd

Award Dated : 14 .09.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against dispute in premium.

Shri Amit Sinha is the complainant and the Life Assured of the Policy no. 714340254. He added that he had purchased one policy from Max New York Life Insurance Co. Ltd. The company delayed in sending the policy document. So he had lodged a complaint through Customer Care on 3rd & 12th March, 2009 vide complaint no. B-3337. Finally received the document on 22.03.2009. After verifying all the documents he visited the office on 30.03.2009 for submission of cancellation request but they denied to receive the policy along with cancellation request. LA had faxed the complaint letter on 31.03.2009. After prolonged discussions with the insurer the policy document was submitted on 03.04.2009. Later on 18.05.2009 they denied to cancel the policy and have requested the

policyholder to visit the local office. Hence this petition. The LA has submitted the P-forms along with unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

The Insurance Company had written one letter on 26/04/2009 to the LA that no payment could be made as the policy is out of free look period and the terms of the cancellation were not mentioned. No SCN is received by the Office. So details of the reason could not be verified.

HEARING:

In response to a notice of hearing only the complainant attended. The representative of the insurance company did not attend. According to the complainant he had taken a policy and received the policy document on 22.3.2009. He faxed the request for 'Free Look' refund on 31.03.2009 and submitted the policy bond on 3.4.2009. According to him the request was within the Free Look Period and therefore refund of premium as per IRDA regulations could not be denied. He has given evidence to show that he has filed the cancellation letter on 03.04.2009 at Durgapur Branch of the Insurance Company. We do not have the defence of the insurance company as the representative did not attend the hearing. This state of affairs should not be continued and it may be informed to them that an adverse view would be taken in future.

DECISION:

From the above evidence it is clear that the policyholder has requested for the refund of premium within the Free Look Period. Therefore, we direct the insurance company to pay the entire amount to premium as refund.

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Miscellaneous

Kolkata Ombudsman Centre

Case No. 140/22/004/L/05/09-10

Shri Sukalyan Roy Chowdhury

Vs.

ICICI Prudential Life Insurance Co. Ltd

Award Dated :16 .09.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against mis-selling of product.

The complainant had taken a policy no. 07976688 from ICICI Prudential Life Insurance Co. Ltd. He agreed to the offer given by the representative of ICICI that the said policy would be taken on single premium basis with one time investment with very little allocation charges. He was a retired person and deposited the hard earned money of Rs.5,00,000/- vide cheque no. 286517 dated 25.02.2008. Subsequently, when the original policy document was received by his wife he was not well physically and as his wife had very little knowledge about the policy conditions she kept it in safe custody but when the complainant received the renewal premium notice of Rs.5,00,000/- he was surprised to find that the policy had been issued as a regular one and not a single premium policy as committed by the agent. He took up the matter with the insurer and requested for canceling the policy and asking refund of the deposited amount of Rs.5,00,000/-. As he did not receive any positive response from the insurer he approached this forum seeking justice for the above said grievance though he did not submit P-forms till date.

Self Contained Note (SCN) submitted by the insurer dated 23.06.2009 confirmed the fact that the complainant had submitted a proposal form for insurance on his life and the details were given as premium paying frequency – yearly with premium instalment of Rs.5,00,000/-. The policy was issued on 28/02/2008 on the basis of the information provided by the complainant in the proposal form. The policy document was deposited at the complainant's mailing address on 01.03.2008 and the same was delivered on 04.03.2008. The policy document was accompanied by a forwarding letter which clearly mentioned that if the policyholder was not satisfied the features and terms of the policy condition he could return the policy to the Company for cancellation within 15 days of its receipt i.e., under free look period option. But the complainant did not approach the insurer during the free look period which implied that he had agreed to the policy terms and conditions including the facts that its regular premium paying policy. The insurer also added that the complainant had taken two more policies from ICICI numbering:-

- i) 1144695 (SA Rs.3,00,000/- and yearly premium Rs.2707/-, DOC : 04.03.2009)
- ii) 11444539 (SA Rs.5,00,000/-, yearly premium Rs.1,00,000/-, DOC: 05.03.2009).

The complainant being an educated person and having several other policies could be deemed to be well aware of the policy terms and conditions and also free look period. But the complainant alleged for policy no. 07976688 that the said policy was taken for single premium but the insurer had given regular premium policy. As free look period was not applicable, the insurer could not cancel the policy as desired by the complainant.

HEARING:

In response to a notice of hearing only the representative of the insurance company attended. The complainant did not attend or send any letter for adjournment. The representative of the insurance company informed us verbally, at the time of hearing, that the complainant paid the 2nd premium on the policy on 06/08/09 for Rs.5,00,000/- vide cheque no. 169202 on HDFC Bank, Kolkata, which indicated according to him, that the policyholder decided to continue the policy. Further, he stated that the complainant was an educated person and was having several other policies with the same insurer, so it could be deemed that he was well aware of the policy terms and conditions and also the concept of free look period. Therefore, he pleaded that the insurance company had correctly issued the policy and that free look period is not applicable any more.

DECISION:

As the complainant did not attend we propose to deal with the matter on ex-parte basis. There is sufficient proof to show that the policyholder has decided to continue the policy and therefore, we are of the opinion that he would not insist on refund of the premium paid at the inception of the policy. Even if he seeks a refund, it is not exigible as the free look period has gone by long back. Also the complainant confirmed over telephone the fact of his paying the 2nd premium against this policy.

Under these circumstances, we are unable to agree with the prayer of the complainant and we confirm the action taken by the insurance company. Therefore, we have no alternative but to dismiss the petition without any relief to the complainant.

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MUMBAI

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI-613 (2008-2009)

Award No.IO/MUM/A/ 182 /2009-2010

Complainant : Smt. Serene Yazdi Shroff

V/s.

Respondent : ICICI Prudential Life Insurance Co. Ltd.

AWARD DATED 17.08.2009

Smt. Serene Yazdi Shroff, had taken a Life Insurance policy bearing No.00621517 from ICICI Prudential Life Insurance Company Ltd. through proposal dated 22.12.2003 with Plan – Life Time with Initial Death Benefit, Critical Illness Rider and Major Surgical Assistance for Rs.2.50 lacs for each rider. The commencement of the policy was from 29.01.2004. The complainant lodged a claim

under Critical Illness Benefit Rider (CIBR) and Major Surgical Assistance Rider (MSAR) for an amount of Rs.2,30,638.45. The company informed the life assured that they have accepted her claim under Major Surgical Assistance Rider and an amount of Rs.75,000/- was sent to her.. However, her claim under Critical Illness Benefit Rider was denied stating that the critical illness benefit is payable provided the life assured suffers from one of the nine critical illnesses as defined in the Policy and as the medical records submitted by her did not fulfill the definition of critical illness under the definition of the policy conditions, her claim under CIBR was denied.

The cause of claim as stated by the complainant was for “Ischemic Heart Disease, Non ST Elevated Myocardial Infarction (Anterior Wall) Single Vessel Coronary Artery Disease, Angiography and Angioplasty with 2 Stents”. The diagnosis was made on 01.09.2008 and Smt. Shroff underwent the surgery on 02.09.2008. As per the policy terms and conditions, the benefit under the Major Surgical Assistance Rider (MSAR) is 50% of the MSAR sum assured, 30% for intermediate surgery and 20% for minor surgeries. Further it is stated in the policy document that, in any case, the total amount payable under all the surgical procedures shall not exceed 50% of the MSAR.

The coronary angioplasty with stents undergone by the complainant is covered under intermediate procedures and the company paid 30% of the MSAR sum assured under the policy. Hence an amount of Rs.75,000/- (30% of Rs.2,50,000/-) was paid to the complainant.

The claim for Heart Attack under Critical Illness Benefit Rider (CIBR) was not paid. An emergency angiography followed by angioplasty was done. The Angiogram showed two blocks of 90% each in one of the main arteries which supplied blood to the heart She has defined her problem a non – ST Elevated MI. Having gone for life saving procedure overnight, whereas according to the Insurer, I do not “seem” to have heart attack and hence the claim was denied. She protested against the obsolescent medical guidelines adopted by the Company in this modern day and age of medical practice and it was further mentioned about the importance of 2D ECHO which showed Myocardial Hypokinesia.

Let us examine the contents of the ICICI Prudential Life Insurance Company Ltd. Terms and Conditions under Critical Illness pertaining to “Heart Attack” under the policy, which states as under:

“Heart attack” – The death of a portion of heart muscle as a result of inadequate blood supply as evidenced by an episode of typical chest pain, new electrocardiographic changes and by elevation of the cardiac enzymes. Diagnosis must be confirmed by a consultant physician.

From the above stated definition it is clear that the following conditions must be fulfilled for any claim under CIBR for Heart Attack to become payable

- There must be death of a portion of heart muscle
- The above must be evidenced by
 - * Episode of chest pain
 - * New ECG changes and
 - * Elevation of the cardiac enzymes

The above criteria formed part of the standard terms and conditions envisaged in the policy document issued to Smt. Serene Y. Shroff by the Insurer and the claim under CIBR is payable on fulfilling the terms and conditions as written in the Policy Document. The present claim is covered solely by the contract of Insurance. The contract has clearly defined the "Heart Attack" for which the risk is covered and accordingly the benefit is payable.

The enzyme report dated 02.09.2008 of the complainant has the following observations.

Name of the Test	Result	Unit	Normal Range
CK MB	12	U/L	0 – 14
Troponin - T	Negative		

It is evident from the above report that the enzymes are not elevated and hence there is no elevation of cardiac enzymes.

On careful evaluation of the documents, it is evident that in the instant case neither there is elevation of neither cardiac enzymes nor the medical record evidence death of a portion of heart muscle. In view of this, it is clear that two of the three mandatory terms and conditions with respect to grant of benefit under the CIBR for heart attack were not fulfilled and hence the claim for CIBR was denied by the Company.

In view of the above analysis based on the records produced before this Forum, it is felt that the rejection of claim of Smt. Serene Yazdi Shroff by ICICI Prudential Life Insurance Company Ltd. is tenable.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI-575 of 2008-2009

Award No. IO/MUM/A/ 04 /2009-2010

Complainant : Shri Shamsuddin Abdulaziz Shroff & Others

V/s.

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 08.04.2009

The Complaints were registered at this Forum with regard to Shri Shamsuddin Abdulaziz Shroff, Smt. Parvin Shroff and Ms. Alishya Shroff for cancellation of their respective policies. Shri Shamsuddin Shroff and Smt. Parvin Shroff had submitted their letters dated 24.07.2008 respectively to the Company requesting for cancellation of their policies within the free look period. However, again they requested the Company vide their letters dated 29.07.2008 to continue the policies as they were satisfied with the terms and conditions of the policy and hence they wanted to continue the same. As the matter under their policies have been resolved with the Company, their complaints are treated as resolved and hence closed at this Forum

As per the policy pertaining to Ms. Alishya Shroff, a hearing was held between the representatives of both the complainant and respondent to resolve the complaint.

As per the documents submitted, the Insurer vide their letter dated 10.10.2008, sent the policy to Ms. Alishya Shroff. Immediately, on receiving the Policy, she submitted her letter dated 24.10.2008 to the Company for canceling the policy stating that "I wish to exercise free look option as I do not think I wish to take a financial commitment for the next two years or more for Rs.3 lakhs. I will not like to look at this investment now and may pursue it later if the finances warrant. Kindly refund the amount of Rs.3 lakhs paid towards the above mentioned policy". The said letter dated 24.10.2008 was received by the Company with their inward stamp received on 25.10.2008. However, they replied to her only on 15.01.2009, that is, after more than 2½ months, rejecting her request for cancellation of the policy stating that "as per company guidelines, we cannot go ahead with the cancellation of cases where the reason cited as personal reason / financial constraints / urgent requirement of money". It may be noted that in the covering letter dated 10.10.2008 enclosing the policy document to Ms. Alishya Shroff it is only mentioned "We as a Company believe in providing total transparency to our valued customers. In line with this principle, we offer you a 15 days Free-Look Period, which commences from the date of the receipt of this Policy Document. During this period you have the option". No reason for cancellation has been cited in their covering letter, whereas, in the other two policies, the reasons were mentioned. In view of this, the benefit of doubt goes in favour of the complainant.

As per the facts of the case, the request of Ms. Alishya Shroff for cancellation of her policy has been submitted to the Company within the Free-Look Period, the rejection by Bajaj Allianz Life Insurance Company Ltd. for not complying with the same is not tenable.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI-129 (2009-2010

Award No.IO/MUM/A/ 156 /2009-2010

Complainant : Shri Shantilal Bohra

V/s.

Respondent : Life Insurance Corporation of India, Mumbai Divisional Office IV

AWARD 4TH AUGUST 2009

Shri Shantilal Bohra had taken a LIC Jeevan Plus – A Unit Linked Whole Life Plan Policy. The Policy was taken through his son, Shri Sumit Bohra, LIC Agent with Agency Code No.70103919. The date of proposal was 25.06.2006, for Sum Assured of Rs.10,00,000/-. The policy holder had also opted for Double Accident Benefit Rider. The date of commencement of the policy was 30.06.2006 and the frequency of premium payment was Yearly, the premium amount being Rs.20,000/-. The policy was accepted with Class I Health Extra, considering the Age, Medical Reports and Special Reports of the proposer. Under the said policy the premiums have been paid for three years. Shri Bohra was informed by his agent that his policy has been foreclosed in the month of July 2008. He wrote a letter to the Insurer regarding the same. Shri Bohra also requested the Insurer to revive the policy and that he had no objection in any additional payment to be done. LIC replied to him stating that his policy is “Foreclosed” as per terms and conditions of the plan. They referred to the conditions stated under the headings ‘Auto Cover’ and ‘Lapsation and Non-forfeiture’ in the policy document, where at least three years premiums are paid under regular premium policies (i.e. policies issued with mode other than single), the policyholder’s unit account, at all times, shall be subject to minimum balance of Rs.20,000/- Since balance has fallen below this limit, the policy was “Foreclosed” as per terms and conditions of the policy plan. LIC of India wrote to the complainant stating that as the balance in the unit account was less than the minimum balance requirement of one “annualized premium”, the policy was foreclosed as per terms and conditions of the plan. They regretted the request for revival as the policy is already foreclosed. However, they stated that as the balance amount is lying in unit account, it shall be refunded on receipt of the discharge form duly executed along with the original policy document.

Aggrieved by their decision, Shri Shantilal Bohra filed his complaint at this Forum seeking the intervention of the Ombudsman in resolving his complaint.

After perusal of all the records submitted to this Forum, parties to the dispute were called for hearing on 27.07.2009 at 11.30 A.M.. A Joint Hearing was held with the Complainant and the Representative of the Insurance Company.

It is evident that the Insurer has acted as per Condition 7 – Auto-Cover and Condition 9 – Lapsation and Non-forfeiture regulation of the Standard Terms and Conditions of the Policy document. Let us see what these conditions state:

Condition 7.- Auto Cover states : The charges for risk cover shall be taken by canceling appropriate number of units out of the policyholder’s unit account every month. This will continue to provide relevant risk coverage even if premiums have not been paid as and when due under the policy.

During the period of Auto cover any/all unpaid premium that have fallen due may be paid at any time without interest. The Auto cover facility will continuously be available during the term of the policy. However, for regular premium policies when less than 3 years’ premium have been paid and single premium policies, if at any

time the amount in the policyholder's unit account, if any, falls below the monthly charges, the policy shall compulsorily be terminated and the balance amount in the policyholder's unit account , if any, shall be refunded to the Life Assured.

Notwithstanding what is stated above, the balance in the policyholder's unit account should be sufficient to cover the relevant charges. However, for all regular premium policies where at least 3 years premiums have been paid, the policyholder's unit account, at all times, shall be subject to a minimum balance of one annualized premium. In case the policyholder's unit account falls below this limit, the policy shall compulsorily be terminated and the balance amount in the policyholder's unit account, if any, shall be refunded to the life assured.

Under the above condition, in this case, one annualized premium is Rs.20,000/- i.e. this is the minimum balance to be maintained in policyholder's unit account, if the premiums have been paid for three years as per condition 7 mentioned in the policy document. Since balance had fallen below this limit, the policy was 'Foreclosed' as per terms and conditions of the plan.

Condition 9 states - Lapsation and Non-forfeiture regulations: In case of regular premium (i.e. other than single premium) policies, if premiums have not been duly paid under the policy, the policy shall become paid-up. The life cover and the accident benefit and critical illness benefit riders, if any, have been opted for, then these risk covers shall continue subject to the provision of 'Auto-cover' stated at Condition 7 above, in such cases the amount payable in different contingencies shall be as under:

- A. In case of Death – Sum assured under the basic plan plus bid value of units held in the policyholder's unit account
- B. In case of Death due to accident – Accident benefit sum assured in addition to amount under 'A' above.
- C. In case of critical illness benefit claim – Critical illness rider sum assured.
- D. In case of Surrender – Bid value of units held in the policyholder's unit account, less surrender charges, if any.
- E. On Maturity – Bid value of units held in the policyholder's unit account
Accident benefit sum assured and critical illness rider sum assured shall be payable only if they have been opted by the Life Assured.

The policyholder stated that he had paid the third premium in the month of June 2008 and the policy was foreclosed suo-moto in the month of July 2008. He states that LIC had not intimated him to continue the policy by paying top up premium neither there was any intimation regarding the foreclosure. He has also requested LIC to revive the policy and that he has no objection to any additional payment.

As per the complainant's request to revive the policy and that he has no objection in any additional payment, however, as per Condition 11 of the policy terms and conditions, the foreclosed policies cannot be revived. The Condition 11 of the policy - Reinstatement of Surrendered policies states:

"Reinstatement of surrendered policy shall not be allowed".

As the policy was foreclosed due to lack of sufficient funds in the unit account of the Life Assured, the policy has been treated as surrendered and in that case the policy can't be revived as per terms and conditions of the policy.

The complainant was advised to submit the discharge form and the original policy bond within seven days to the Insurer for payment in case he agrees to accept this Award.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 159 (2009-2010)

Award No. IO/MUM/A/ 247 /2009-2010

Complainant : Smt. Veena Arora

V/s

Respondent : HDFC Standard Life Insurance Company Ltd.

AWARD DATED 15.09.2009:

Shri Shashi Arora had taken a Unit Linked Endowment Policy from HDFC Standard Life Insurance Company Ltd. The SA was Rs.5.00 lacs. The DOC was from 29.9.07. Shri Shashi Arora expired on 19.10.2008 due to Cardio Respiratory Failure with AMI, HTN/IHD/CVA. The claim was preferred by his son Shri Udit Shashi Arora, The Insurer repudiated the claim on account of the deceased having withheld material information regarding his health at the time of effecting the assurance. They stated that on investigations they have established that the life assured was diagnosed with "Hypertension" prior to policy issuance. This was not disclosed in the Application dated 05.08.2007.

As requested during the hearing, the company vide their letter dated 09.09.2009 have submitted the copy of the Medical Examiner's Report dated 16.09.2007 when Shri Shashi Arora's medical examination was done at the time of proposal. On perusal of the said report, it is found that there were no adverse medical findings of the Life Assured, except that he was overweight and his teeth were stained. There is a mention that he had an earlier surgery. On perusal of the documents, it is found that there is a

certificate from Dr. Arun Kumar, the family Doctor of the DLA wherein he had mentioned that he knows the DLA since 15 years and the DLA had consulted him for Hypertension 5 years back. He also states that the deceased was regular with his medicines and check up. He has also issued a certificate on his letter head mentioning that the DLA was visiting him for regular checkups and was diagnosed as Hypertensive patient. There is also a certificate from Dr. P.P. Ashok who had given a certificate that Shri Shashi Arora was detected of Hypertension 5 years back and was taking treatment. During the hearing, Smt. Veena Arora, wife of the deceased, admitted that her husband was overweight and he was 60 years of age and that such problems can't be ruled out. She has in her earlier communication admitted that her husband was suffering from high blood pressure for many years and he had only signed the proposal form and the details were filled by the agent. She also admitted that he was on medication. He was never medically examined by the Doctor but there is a medical report with the company. It is to be noted that once the proposal is signed, it is the proposer who is responsible for the correctness of the answers given in the proposal form.

Thus HDFC Standard Life Insurance Company Ltd. cannot be faulted for repudiating the claim of Smt. Veena Arora for the sum assured for non-disclosure of material information and withholding correct information at the time of effecting the assurance. However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is fair nor reasonable. The Insurer is entitled to recover all the charges and cost incurred while procuring the policy, managing the fund, and mortality charges but it will be unfair not to refund the fund value as the policy has a component of investment in addition to risk cover. The complainant has raised the question on the role of the Agent and the Doctor. The above matter is outside the purview of the Ombudsman, however, the Insurer is advised to look into these issues.

In the facts and circumstances, it will be proper to refund the policy fund value to the claimant as at the time of death.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 517 (2008 - 2009)

Award No. IO/MUM/A/ 223 /2009-2010

Complainant : Shri Sitaram Kanaji Kawale

V/s

Respondent : Birla Sun Life Insurance Company Ltd.

AWARD DATED 07.09.2009

Shri Sitaram Kanaji Kawale, the policy owner, had insured his wife Smt. Asha Sitaram Kawale under Birla Sun Life Insurance Gold Plus II bearing Policy No.001406402. The policy issue date was 07.02.2008 with an annual policy premium of Rs50,000/-. The maturity date was 07.02.2016 with a premium paying term of 3 years. The sum assured under the policy was Rs.2,50,000/-. The investment fund option was Maximiser with 100% premium allocation.

Smt. Asha Kawale expired on 16.08.2008 due to Sickle Cell Disease and immediate cause of death being Hemolytic Crisis with Metabolic Acidosis.

Birla Sun Life, have established that the Life Assured was suffering from Sickle Cell Disease prior to her application for insurance and had consulted Doctors in connection with the same. These facts were not disclosed at the time of proposal of the Policy.

We had received a communication from the Insurer addressed to the Insurance Ombudsman, stating that the Company having issued the policy in all good faith has incurred various costs / charges towards acquisition and issuance of policy. These cost / charges are recovered over the tenure of a valid policy in form of premium allocation charge, fund management charge, mortality charge and surrender charge. They have stated that though not contractually obligated to refund anything, yet as an exception case, they are agreeable to pay the Surrender Value (Policy Fund Value – Surrender costs) calculated as per the policy terms.

Policy Fund Value	= Rs.37,630.00
Less:	
Surrender charges*	= Rs. 7,500.00

Net Surrender Value	= Rs.30,130.00

* As per the policy terms, the surrender charges – 15% of premium being the 1st Policy year.

The documents submitted have been perused. The Life Assured expired on 16.08.2008. The primary cause of death of the Life Assured was Sickle Cell Disease and the immediate cause of death being Hemolytic Crisis. The LA was also suffering from Anaemia. The Last Attending Physician's certificate dated 08.09.2008 issued by Dr. Kiran Belsare states the primary cause of death of the life assured as Sickle Cell Disease and the immediate cause of death being Hemolytic Crisis with Metabolic Acidosis. The Hospital Treatment Certificate dated 25.09.2008 issued by Dr. Kiran Belsare, CARE Hospital states that the LA was admitted in the hospital with a complaint of severe body ache, joint pain & inability to move on account of pain. It further stated the diagnosis was Sickle Cell Disease (SS - pattern) with Acute Severe Vaso occlusive crisis with severe Haemolysis with Respiratory &

Metabolic Acidosis with Cardio Respiratory Arrest. The admission notes dated 14.08.2008 issued by CARE Hospital stated that the LA was a known case of Sickle Cell Disease, was operated for Uterine Fibroid 3 years ago wherein she was diagnosed to have Hb – SS pattern. The progressive notes of the hospital dated 14.08.2009 also states that LA was a case of Sickle Cell Disease (Hb- SS pattern) admitted in ICU in Vaso occlusive crisis state.

In view of this legal position the Insurer cannot be faulted for repudiating the claim for the full sum assured under the policy for deliberate misstatements and suppression of material facts by the life assured. Hence the decision of the Insurer to reject the death claim under the policy for the full sum assured does not warrant any interference from this Forum. However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable. However this being a case of deliberate suppression of material information. The Insurer is entitled to recover all the charges and cost incurred while processing the policy and managing the fund, but it will be unfair not to refund the fund value as the policy has a component of investment in addition to risk cover. The Insurer vide their letter dated 01.09.2009 has agreed to refund the fund value after deducting surrender value as a special case but it would not be proper to levy the surrender charges as it is not a case of willful surrender. It is unfortunately a death claim and the claimant has already paid the penalty for non-disclosure by way of non-admission of death claim. In the facts and circumstances, it will be proper to refund the policy fund value to the claimant without deducting surrender charges on ex-gratia basis

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI - 585 of 2008-2009

Award No.IO/MUM/A/ 23 /2009-2010

Complainant : Shri Jitendra Ramniklal Mehta

V/s.

Respondent : Tata AIG Life Insurance Company Ltd.

AWARD DATED 05.05.2009

Shri Jitendra Ramniklal Mehta had taken a Tata AIG Health First Insurance Policy No.C001341690 with Policy Issue Date 27.11.2005 for a policy term of 10 years and a premium of Rs.16,012/-. This policy included critical illness insurance cover of Rs.2.50 lakhs.

Shri Jitendra R. Mehta suffered chest pain and got himself admitted on 25.10.2008 at P.D. Hinduja National Hospital & Medical Research Centre. Life Assured had submitted a claim for critical illness through a claimant statement in connection with Coronary Artery Bypass Grafting, The Insurer repudiated the claim stating that as the LA was suffering from Diabetes Mellitus and was on treatment since last 10 years which was not disclosed in the proposal for assurance.

The documents produced at this Forum have been perused. On 11.12.2008 the Life Assured had applied for a claim for Critical illness through a claimant statement in connection with Coronary Artery Bypass Grafting. In the said statement, in reply to one of the questions pertaining to his health, the claimant has replied that he has been suffering from diabetes since last 10 years. "The discharge summary from PD Hinduja Hospital also mentions that the LA has a history of Diabetes Mellitus and Hypertension and was undergoing treatment for the same. Despite the knowledge of history of diabetes and hypertension, the life assured had replied in negative to the question Nos. 4 (c) 6 & 8 of the application form for seeking insurance cover. It is also noted that the Life Assured had replied in negative to Question No.3, on existing insurance, under Step 1 of the application. It is noted from the claimant's statement that effective from 1992, he has insured himself with Life Insurance Corporation of India for a cover of 1.3 crores. It is to be noted that the insured himself has stated that he has diabetes for the last 10 years and was under the treatment of Dr. Rajendra Shah.

The claim of Shri Jitendra Ramniklal Mehta under Policy No.C001341690 – Tata AIG Health First Plan, for his hospitalization at P.D. Hinduja National Hospital and Medical Research Centre for Coronary Artery Bypass Grafting is not tenable. However, the Company is directed to refund 90% of the next two premiums as an ex-gratia payment.

MUMBAI OMBUDSMAN CENTRE
Complaint No.LI-587 (08-09)
Award No.IO/MUM/A/ 43 /2009-2010

Complainant : Shri Milindkumar Dattatray Kavale

V/s.

Respondent : Tata AIG Life Insurance Company Ltd.

AWARD DATED 14.5.2009:

Shri Milindkumar Dattatray. Kavale, had taken a Life Insurance policy bearing No.C010396940 from Tata AIG Life Insurance Company Ltd. through proposal dated 03.11.2004 with Plan – Health Plus with Critical Illness for Rs.1,25,000/- lacs for a Term of 17 years. The commencement of the policy was from 16.11.2004.

The Insurer received a claim for critical illness for Heart Attack suffered by LA. He was admitted to Pune Hospital and Research Centre, Pune, from 08.05.2007 to 12.05.2007. The claim was repudiated by the Insurer stating that as per the terms and conditions of the contract, for the Daily Hospitalization Benefit to be payable, it requires hospital confinement of more than 3 days in a pre-approved hospital. However, the number of days that he was admitted in an unapproved hospital does not meet this requirement. Also from the medical information available, the heart attack suffered does not meet the criteria defined in the Critical Illness benefit of the Health First Plan.

Shri Milindkumar Kavale was admitted to Pune Hospital & Research Centre. As per the Discharge Summary, he was admitted on 08.05.2007 and was diagnosed as “Inferior wall Myocardial Infarction Thrombolysed with TPA. Cor Angio : Ectatic coronary arteries with critical lesion in LCx. and Hyperhomocystenemia”. The Course in the hospital – “Patient came with complaints. Acute Inferior wall MI and diagnosed – Thrombolysis with TPA given in Cell. Good response. Cor angio done uneventfully by Dr. J.S. Hiremath on 11.05.2007. Ectatic coronary arteries with critical lesion in LCx. Advised medical management. Was discharged. Uneventful stay”.

According to the daily notes of the hospital, it seems that he was admitted on 08.05.2007 at 10.50 A.M. and discharged on 12.05.2007 at 11.20 A.M., thereby completing 4 days of hospital stay. However, according to the hospital bill, he was billed for intensive care unit for 2 days and for private ward bed charges for 1.5 days. One of the causes for repudiation of the claim by the Company was “there was no confinement of the Life Assured in an unapproved hospital for more than 3 days. According to the “Daily Hospital Benefit” and “Day” has been defined under the policy as under:

Daily Hospital Benefit:

“While this policy is in force and during the lifetime of the insured, if the insured is admitted to a Hospital in India as an In-Patient under the recommendation and professional care of a Registered Medical Practitioner for Medically Necessary treatment of a Covered Injury or Covered illness, we will pay the Daily Hospital Benefit for each Day of Confinement in the Hospital (except for the insured’s first three (3) Days of Confinement), but not exceeding ninety (90) days for any one covered Injury or Covered illness in respect of the Same Confinement”.

“Day” means a minimum period of 24 consecutive hours and for which a hospital daily room and board or intensive care unit (ICU) charge is made in accordance with applicable regulations of the Government of India, if any.

As per the company, since the Hospital had billed him for 3.5. days, they have treated his stay in the hospital for 3 days. However, as per the case papers the Date & time of admission is clearly mentioned at 08.05.2007 at 10.50 A.M. He was discharged on 12.05.2007 at 11.20 A.M., therefore, completing full 4 days.

The second cause for repudiation was that as from the medical information, the heart attack suffered does not meet the criteria defined in the Critical Illness benefit of the Health First Plan. In order to be considered within the ambit of “Heart Attack” as defined in the Policy Contract, the event must satisfy the following requirements of “Heart Attack”. Under the condition covering Heart Attack, the first occurrence of an acute myocardial infarction where the following conditions are to be met for the admission of a claim.

- (i) A history of typical chest pain
- (ii) The occurrence of typical new acute infarction changes on the electrocardiograph progressing to the development of new pathological Q waves, and
- (iii) Elevation of Cardiac Troponin (T or I) to at least 3 times the upper limit of the normal reference range or an elevation in CK MB to at least 200% of the upper limit of the normal reference range.

The above criteria formed part of the standard terms and conditions envisaged in the policy document.

On examining the documents it was observed that the event suffered by the complainant did not fall within the parameters of "Heart Attack" as defined in the contract due to the following reasons:

Event: Inferior Wall Myocardial Infarction (Heart Attack)

Parameter:

- i) Chest Pain – Typical – Yes
- ii) IECG – ST – T changes – No development of new pathological "Q" Waves
- iii) Cardiac Enzymes – Not done

Echocardiography report submitted revealed Myocardial injury with acceptable Ejection Fraction (55%) and did not satisfy any infarct.

As per the above facts of the case, so far as the contractual rights and obligations under a policy of insurance is concerned, it is the definition of the relevant Critical illness as stated in the Policy Document that is material and hence the benefit was declined. In view of the analysis and based on the records produced before this Forum, though he was hospitalized for 4 full days but he has not fulfilled the second condition. Therefore, the rejection of critical illness claim of Shri Milindkumar Dattatray Kavale by the Tata AIG Insurance Company Ltd. is tenable. However, as per the case papers of the hospital, since he was hospitalized for 4 full days, the Daily Hospital Benefit should be paid as per the terms and conditions of the policy.

MUMBAI OMBUDSMAN OFFICE

Complaint No. LI – 31 of 2009-2010

Award No.IO/MUM/A/ 237 /2009-2010

Complainant : Smt. Shewanta Vishnu Kumbhar

V/s.

Respondent : The Life Insurance Corporation of India, Kolhapur Divisional Office

AWARD DATED 09.09.2009

Shri Vishnu Govind Kumbhar had taken a life insurance policy from LIC of India, for SA Rs.1.00 lac with table/term 179-16. The DOC was 8.10.06. He expired on 19.12.2006 due to Jaundice. His wife, Smt. Shewanta Vishnu Kumbhar, preferred the claim to LIC. LIC of India, repudiated all liability under the policy on account of the deceased having withheld material information regarding age at the time of effecting the assurance. The basis for such decision was at the time of proposals for assurance dated 25.09.2006 signed by the life assured, in answer to question No.2 requiring him to give his age nearer birthday, he gave his birth date as 01.06.1961 and Age as 45 years.

LIC of India, however, stated that the aforesaid answer was false as they have evidence and reasons to believe that the deceased had understated his age by 08 years at the time of proposing for the assurance. They stated that had he mentioned correct date of birth and age, they would have called for medical report and it would have affected the underwriting decision. Also term 16 years for age 53 under Plan 179 is not allowed. The evidence goes to show that the deceased was not less than 53 years of age.

The DLA had a previous Policy No.945282266 for sum assured Rs.50,000/- where his date of birth is mentioned as 01.06.1953. The Date of commencement of the policy was from 28.05.1995. The age proof submitted under his previous policy was his Service Certificate from the Armed Services where his date of birth is mentioned as 01.06.1953. However, when he submitted a proposal for the policy under dispute, he mentioned his age as 01.06.1961 and gave his election card as age proof, which was obtained in the year 1994.

The DLA was enrolled in the army on 17.04.1974 and if we take the date of birth as 01.06.1961 as per the Election Card, this means he was only 13 years at the time of enrollment in the army which is not possible, as minors are not recruited in the Army. This proves that the date of birth mentioned in the Election Card is not correct and the date of birth as per Army record seems to be correct. Thus the contention of the Insurer for understatement of age by 08 years is in order.

However, looking to the facts and circumstances and the socio economic background of the complainant, an ex-gratia payment of Rs.10,000/- is awarded in this case.

