AHMEDABAD

Ahmedabad Ombudsman Centre

Case no 25-008-0299-11

Mrs. Rina M Parmar

Vs

Kotak Mahindra Old Mutual Life Insurance Company Ltd

Award Date: 10.08.2010

Non Receipt of Policy Bond: The complainant has submitted that premium amount has been paid and the policy no was given but the policy document was not issued to her . The respondent has submitted that the document was sent to the complainant on specified address by courier and was also delivered .The Respondent has pleaded that she had sent a letter for alteration and a legal notice in which the confirmation for receipt of document was given. It gets established by the documents submitted that the policy bond has been received. . In the result the complaint fails to succeed

Ahmedabad Ombudsman Centre

Case no 21-011-0272-11

Mrs. Avantiben I Shah

Vs

Bajaj Allianz Life Insurance Company Ltd

Award Date: 30.08.2010

Repudiation of Critical Illness Rider claim: The complainant was hospitalized for treatment of cancer from 06.07.09 to 11.07.09 and submitted the claim for payment of Critical Illness rider. The Respondent has repudiated the claim by invoking the exclusion clause of policy stating that claim payment in respect of critical illness is diagnosed within 6 months from the date of cover is excluded. The complainant pleaded that proposal for insurance was delayed by the respondent by 22 days from the date of proposal hence the clause is not operative. It gets established that the risk starts from the date of accepting the proposal hence the decision of the respondent to repudiate the claim is justified In the result the complaint fails to succeed.

Ahmedabad Ombudsman Centre

Case no 22-005-0334-11

Mrs. Rajul N Shah

Vs

HDFC Standard Life Insurance Company Ltd

Award Date: 09.08.2010

Non payment of Premium claim: The complainant has taken the policy with term of 10 years with sum assured of Rs 499995/ and annual premium 99999/. The policy bond was received by the complainant and renewal premium was also paid for RS 10000/ .the Respondent has refunded the premium due to short premium .At the request of complainant the premium was reduced to 10000/ but the Respondent has reduced sum assured to 50000/ also. The respondent has stated that the sum insured was reduced as per the Regulatory limits and policy provisions. It gets established that the respondent has not reduced the sum assured as per the regulatory provisions and request of complainant. Hence the Respondent has been directed to provide the cover as per policy In the result the complaint fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case no 21-06-0100-11

Deepakkumar M Rao

Vs

Birla Sun Life Insurance Co.Ltd

Award Dated: 31.05.2010

Refusal to cancel policy: The Complainant proposed for insurance in July 2009 and submitted the letter for cancellation of policy as the policy bond was not received by him. The Respondent refused to cancel the policy and to refund the premium informing that the policy bond had been dispatched by the Blue dart courier on 27 .07.09 and delivered on 29.07.09. The Complainant has stated that the Respondent has sent him the Duplicate policy bond without his request and has returned the policy bond immediately. The Respondent has not submitted the evidence for receipt of policy bond so the respondent `decision to refuse to cancel the policy under free look in period is not justified and directed to refund the premium.

The complaint succeeds on its merits.

Ahmedabad Ombudsman Centre

Case no 22-08-549-10

Mr. Jayman Shah

Vs

Kotak Mahindra Old Mutual Life Insurance Company Ltd

Award Date: 16.06.2010

Cancellation of policy under Free look in period: The complainant has submitted that he has taken the insurance under single premium policy but the Respondent has issued the policy with yearly mode of premium payable for 3 years .The complainant has repeatedly approached the respondent to make the corrections by e mails ,letters orally. The Respondent has pleaded that the insured should have returned the policy under free look in period. The complainant has submitted that the insurer has promised orally to change the mode of premium .Hence without getting into the merits of the case the complaint was deemed as beyond jurisdiction for this forum because it was a case of verbal promises, miss selling, or miss representation by the respondent.The complaint stands disposed.

Case No.22-006-0111-11

Mr. Digant C Hathi

V/s.

Birla Sun Life Insurance Co. Ltd.

Award dated 06-07-2010

Dispute with regard to premium paid or payable:

The Respondent had issued policy bond with installment premium of Rs.12,773.70 and Sum Assured Rs.17.00 Lacs. Complainant submitted that the Respondent had made correction in the premium and Sum Assured by putting his forged signature.

The Respondent submitted that the complainant being their advisors had knowingly submitted an application for insurance for S.A Rs.13,41,000/- under his signature.

This forum operates within the limited and specific process laid down by RPG Rules 1998 to ensure speedy disposal on examination of materials on record only.

This forum neither has necessary power nor infrastructure to undertake the exercise to prove a fraud on the basis of opinion of handwriting experts.

Hence without going into the merits of the case and passing any quantitative award for the same, the Complaint is deemed beyond the jurisdiction of this Forum leaving it for the Complainant to pursue other means to resolve the grievance either within the framework of Government Rules under reference or taking recourse to any other forum as may be considered appropriate.

Case No.22-005-0323-11
Mr. Bharat B.Shah

V/s.

HDFC Standard Life Insurance Co. Ltd.

Award dated 22-07-2010

Rejection for cancellation of Policy:

The complainant submitted that the subject policy was sold to him forcibly misrepresenting by their banker- HDFC Bank stating that large size deposit locker would be given. He further stated that the Respondent had declined his request for cancellation of the subject policy.

The Respondent submitted that the insured had willingly submitted duly signed proposal form and benefit illustration and then the subject policy was issued. Respondent also submitted that the insured had not exercised option of 15 days free look period available to him and the request was made after 15 days therefore it was not accepted.

This forum found that the complainant could not establish/prove that the request for cancellation was made within 15 days from the receipt of the policy document, therefore respondent's action to decline the request of the insured for cancellation of the policy was justified.

In the result, the complaint fails to succeed.

Case No. 22-008-0298-11

Mr. Mahavir S. Parmar

V/s.

Kotak Mahindra Old Mutual Life Ins. Ltd.

Award dated 06-08-2010

Rejection of request for cancellation of policy & refund of premium.

The Complainant submitted that policy was received by him on 04-12-2009 and a request was made for cancellation of policy on 09-12-2009, within free look period but the Respondent did not accept his request and did not refund the premium on cancellation of policy.

The Complainant produced copy of his letter dated 06-12-2009 duly acknowledged by the client service desk of the respondent on 9-12-2009.

The Respondent by producing copy of the letter of the complainant dated 18-01-2010 stated that the complainant had withdrawn his request for free look cancellation.

This forum observed that the complainant was not clear about his decision and after applying for cancellation he wrote for continuation of the policy hence Respondent's decision was justified.

Case No.22-002-0285-11

Mr.Bharat M. Patel

V/s.

SBI Life Insurance Company Ltd.

Award dated 09-08-2010

Rejection of request for cancellation of policy & refund of premium.

The Complainant was covered under Dhanaraksha Plus LPPT Group Insurance policy. He obtained Housing Loan and was granted cover from 30-10-2009 under master policy issued to State Bank of India and certificate of insurance was issued to him.

The Complainant submitted that he had received the subject policy on 23-10-2009 and on same day i.e. with 15 days, cooling of period, made an application for cancellation of the policy but the Respondent sent him a cheque of Rs.61,559/-instead of Rs.88,792/-resulting into short amount of Rs.27,233/-

The Respondent by producing copy of master policy submitted that the member has option of surrendering his insurance cover and not cancellation of master policy hence surrender value was paid. Respondent further stated that option for cancellation of policy lies with the master policy holder i.e., Bank.

This forum opined that the matter was relating to Surrender Value it was outside the ambit of this forum hence asked the complainant to pursue other means to resolve his grievance.

Case No.22-007-0108-11

Mr. Jayendra V Turi

V/s.

Max New York Life Insurance Co. Ltd.

Award dated 28-05-2010

Non receipt of Premium paid amount under Life Policy

Claim lodged for non receipt of Premium paid amount against cancellation of Life Insurance Policy within Free Look Period.

After hearing on 11-05-2010, Respondent sent a letter to this forum confirming that matter has been settled and initial premium is being refunded to the complainant hence grievance was resolved.

Case No.22-005-0296-11

Mrs. Ami Tejas Desai V/s. HDFC Standard Life Insurance Co. Ltd.

Award dated 09-08-2010

Request for cancellation and refund of premium of Life Ins. Policy

The Respondent refused to cancel the policy taking the plea that the free look period of 15 days from the date of receipt of policy had lapsed.

The policy was lapsed due to non payment of renewal premium for which Respondent requested the Complainant to revive the policy by paying Rs.250/- as revival charges.

The policy document was sent to Complainant along with a letter, informing her that in case she is not satisfied with the policy, she can cancel the policy under free look period i.e. within 15 days from the date of receipt of policy document.

The allegation of Complainant is for mis-selling of policy is denied and it is not believed that she had not read the proposal form. The Agent had explained to the Complainant relevant terms and condition of policy. The policy document sent to her and she failed to exercise her right under the clause "Option to return contained in the policy document".

The Complainant pleaded that she had not gone through details and particulars mentioned in proposal form. On good faith she has signed the proposal form. The policy was sold to her through Mr. Hitesh Patel (ex-salesman of HDFC) with clear understanding that the premium is single premium policy and will yieldes 2.50 lacs after 3 years. The policy was issued under regular premium instead of single premium so she had written to the Respondent for cancellation of policy and refund of premium.

This forum decided that if the Respondent can not refund premium after canceling the policy they can at best convert the policy into a single premium policy with retrospective effect.

In the result complaint partially succeeds.

Case No.21-002-0286-11

Mr.Kumudchandra M. Patel

V/s.

SBI Life Insurance Co. Ltd.

Award dated 30-08-2010

Short payment of premium paid amount within free look period

Complainant obtained housing loan under master policy of SBI and certificate of insurance issued to the complainant. Complainant made an application for cancellation of the same within cooling of period since he was not satisfied with the policy conditions but Respondent sent him a cheque of Rs.40,389/- instead of Rs.58,160/- resulting into short payment of Rs.17,771/-.

The Respondent produced copy of the product features filed with the IRDA and stated that terms and conditions of the policy do not provide for cancellation of the cover at the option of the insured member but Master Policy holder may seek cancellation of cover within 30 days of the issuance of certificate of insurance.

Since the matter relates to short payment in respect of Surrender value, it falls outside the ambit of this forum. Hence without going into the merits of

the case and passing any quantitative award, the complaint is deemed as beyond jurisdiction of this forum, leaving it for the complainant to pursue other means to resolve the grievance under the frame work of Government rules under reference or taking recourse to any other forum as may be considered appropriate.

BHUBANESHWAR

1

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1060

Dr. Ranjan Mitra Vs. Life Insurance Corporation of India Cuttack D.O.
Award dated 19th April, 2010

FACT:-

The Complainant had taken a Health Plus policy (Table-901) from LICI. For the treatment of his compression of spinal cord L-4-L-5, the Complainant was admitted in hospital and after release from the hospital he lodged medi-claim with the insurer. But, the same has been repudiated by the insurer on the ground that the treatment was for pre-existing disease which is not covered under the policy. The insurer opined that as per the terms and conditions of the policy no benefits and no payments are made by it for any claim for Hospital Cash Benefit/Major surgical Benefit or accept of hospitalization directly or indirectly caused by the disease based on arising out or howsoever attributable to the pre-existing condition. The insurer also further added that even if it accepted that the treatment was not for pre-existing disease, the surgery undertaken by the complainant would not be included in the list of surgical procedures of the surgical benefit annexure of the Health Plus Booklet.

AWARD:-

After perusing the discharge summary and other relevant papers, the Hon'ble Ombudsman observed that the treatment undergone in his opinion is not pre-existing disease and he is not convinced to accept the submission of the insurer in this regard.

However, when the case has reserved for order a letter was received from the insurer that even if it accepted that the treatment is not for

pre-existing disease, still the complainant is not entitled to get anything because the surgery undertaken is not covered under the policy condition. This stand was taken after the hearing by the insurer and this fact was also not intimated to the complainant in the repudiation letter itself. Thus, the complainant did not get any scope to explain or to reply. So, the stand taken after hearing cannot be utilized against the complainant in his absence.

Thus, the Hon'ble Ombudsman directed the insurer to reconsider the case of the complainant within one month from the date of receipt of consent letter from the complainant. The case is disposed of accordingly.

3

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-002-1063

Sri Rabindra Swain Vs. S.B.I. Life Ins. Co. Ltd.

Award dated 20th April, 2010

FACT:-

The Complainant had taken one Money Back Policy bearing no-14006369906 from S.B.I. Life Insurance Co. Ltd. He was hospitalized and declared physically disabled up to 90% for the head injury which he suffered due to accident. So, he lodged the claim and the insurer refused to pay the same on the ground that the disability was not due to accident. While the case was put for hearing, the Complainant was absent and the representative of the insurer was present. The representative of the insurer submitted that the complainant did not submit the proof of disability that occurred due to accident till date for which the claim has not been settled even if the letter was written to the complainant in this regard.

AWARD:-

The Hon'ble Ombudsman observed that it is the duty of the insured to establish that the disability occurred due to accident and he should submit relevant papers and materials to the insurer. He also felt that even the application was filed before this forum by the complainant did not reveal the date of accident, the manner in which the accident took place. In absence of such materials, it cannot be possible on the part of the insurer to settle the claim.

So, he directed the insurer to settle the claim within one month from the date of receipts of required information from the complainant and also directed the complainant to produce all the required information to the insurer within 15 days from the date of receipt of this order.

Hence, the case is disposed of accordingly.

4

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-010-1076

Sri Subash Chandra Padhy Vs. Relaince Life Insurance Co. Ltd.

Award dated 23rd April, 2010

FACT:-

The grievance of the complainant is that he was under impression that he had taken single premium policies from the Reliance Life Insurance Co. Ltd. But, on receipt of the policies he came to know that the policies have been issue to him in regular premium plans and he also further alleged that the some documents have been forged by the insurer for issuance of the policies. So, he made request for cancellation of policies and refund of the premium paid which has not been accepted by the insurer for which he approached this forum. On the date of hearing only the Complainant was heard and no one from the side of the insurer attended the hearing. The Self-contained Note was received after the date of hearing, a copy of which has been sent to the Complainant. On receipt of the same, the complainant has also filed objection to it.

AWARD:-

The Hon'ble Ombudsman observed that the complainant was not able to produce any proof or document to show that he made request for cancellation of policies and refund of premium amount within 15 days from the date of receipt of policies i.e., within free-look period. The complainant could not satisfactorily explain the circumstances under which he was kept silent for a long period, and, also neither in his counter nor in his complaint, he has mentioned that he made request for cancellation of the policies.

In the above premises, the Hon'ble Ombudsman opined that as the request for cancellation of policies have not been done within the free-look period; the insurer cannot be asked to refund the amount by cancelling the policies as per the terms and conditions of the policies. In relation to allegation

of forgery of documents, he is of the opinion that this forum is not to competent to express any opinion on it and it is open for the complainant to approach the competent forum, if he so desires for his relief.

The case is disposed of accordingly.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-001-1077

Smt. Bebina Barik Vs. Life Insurance Corporation of India (Cuttack BO-III of Cuttack D.O.)

Award dated 20th April, 2010

FACT:-

The grievance of the complainant is that she had taken a New Janarakshya policy commenced from 10.03.2009 for a term of 20 years from the LICI bearing the policy no-588575943 for Rs.30,000/- sum assured with payment of yearly premium of Rs.1525.00. She alleged that she was told by the agent of the insurer that within a very short period after initial deposit she would be granted a housing loan @8% but in turn the same was not materialized after a long gap and for that she approached the insurer to refund the deposited amount to her. The Insurer did not respond to her request. The Insurer reiterated the same stand as taken by it in the Self-Contained Note at the time of hearing. According to the Insurer, the concerned agent was asked to give his observation where he refuted any such assurance was given by him to the Complainant. Also, no such assurance was given by any authorized person of the insurer. Further, the complainant was having option to cancel the policy during the cooling off period for refund of the amount which she had not done. However, the Complainant submitted that she was misled by the agent for taking this policy and her financial condition would not permit to continue the policy.

AWARD:-

The Hon'ble Ombudsman observed that after careful examination of the documents available it is clear that concerned agent of the insure collected the money and deposited the same after which the policy was issued. The complainant nowhere mentioned that the insurer has misled her or has not fulfilled the commitment. The agents of the insurer are given limited authority

for procuring the business. The assurance given by the agent, if any, is his personal for which the insurer cannot be held answerable.

So, the Hon'ble Ombudsman opined that as there is no merit in the Complaint, the complaint is dismissed. However, if the complainant feels to be misled by the personal assurance of the agent of the insurer, she is free to approach other appropriate forum in this connection. On the other hand, for the allegation made by the Complainant against the agent, the insurer is advised to investigate at their end and if needed remedial measure be taken.

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6

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-001-1078

Smt. Sukanti Moharana Vs. Life Insurance Corporation of India (Cuttack BO-III of Cuttack D.O.)

Award dated 20th April, 2010

FACT:-

The grievance of the complainant is that she had taken a New Janarakshya policy commenced from 04.03.2009 for a term of 21 years from the LICI bearing the policy no-588575546 for Rs.30,000/- sum assured with payment of yearly premium of Rs.1528.00. She alleged that she was told by the agent of the insurer that within a very short period after initial deposit she would be granted a housing loan @8% but in turn the same was not materialized after a long gap and for that she approached the insurer to refund the deposited amount to her. The Insurer did not respond to her request. The Insurer reiterated the same stand as taken by it in the Self-Contained Note at the time of hearing. According to the Insurer, the concerned agent was asked to give his observation where he refuted any such assurance was given by him to the Complainant. Also, no such assurance was given by any authorized person of the insurer. Further, the complainant was having option to cancel the policy during the cooling off period for refund of the amount which she had not done. However, the Complainant submitted that she was misled by the agent for taking this policy and her financial condition would not permit to continue the policy.

AWARD:-

The Hon'ble Ombudsman observed that after careful examination of the documents available it is clear that concerned agent of the insure

collected the money and deposited the same after which the policy was issued. The complainant nowhere mentioned that the insurer has misled her or has not fulfilled the commitment. The agents of the insurer are given limited authority for procuring the business. The assurance given by the agent, if any, is his personal for which the insurer cannot be held answerable.

So, the Hon'ble Ombudsman opined that as there is no merit in the Complaint, the complaint is dismissed. However, if the complainant feels to be misled by the personal assurance of the agent of the insurer, she is free to approach other appropriate forum in this connection. On the other hand, for the allegation made by the Complainant against the agent, the insurer is advised to investigate at their end and if needed remedial measure be taken.

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7

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-001-1079

Sri Minaketan Rout Vs. Life Insurance Corporation of India (Cuttack BO-III of Cuttack D.O.)

Award dated 21st April, 2010

FACT:-

The grievance of the complainant is that he had taken a New Janarakshya policy commenced from 27.03.2009 for a term of 21 years from the LICI bearing the policy no-588578923 for Rs.30,000/- sum assured with payment of yearly premium of Rs.1468.00. He alleged that he was told by the agent of the insurer that within a very short period after initial deposit he would be granted a housing loan @8% but in turn the same was not materialized after a long gap and for that he approached the insurer to refund the deposited amount to him. The Insurer did not respond to his request. The Insurer reiterated the same stand as taken by it in the Self-Contained Note at the time of hearing. The complainant has preferred not to attend hearing. According to the Insurer, the concerned agent was asked to give his observation where he refuted any such assurance was given by him to the Complainant. Also, no such assurance was given by any authorized person of the insurer. Further, the complainant was having option to cancel the policy during the cooling off period for refund of the amount which he had not done.

AWARD:-

The Hon'ble Ombudsman observed that after careful examination of the documents available it is clear that concerned agent of the insure

collected the money and deposited the same after which the policy was issued. The allegation of the Complainant is basically against the false assurance of the agent and mis-selling of insurance plan. The complainant nowhere mentioned that the insurer has misled her or has not fulfilled the commitment. The agents of the insurer are given limited authority for procuring the business. The assurance given by the agent, if any, is his personal for which the insurer cannot be held answerable.

So, the Hon'ble Ombudsman opined that as there is no merit in the Complaint, the complaint is dismissed. However, if the complainant feels to be misled by the personal assurance of the agent of the insurer, she is free to approach other appropriate forum in this connection. On the other hand, for the allegation made by the Complainant against the agent, the insurer is advised to investigate at their end and if needed remedial measure be taken.

8

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-001-1080

Smt. Mamata Nayak Vs. Life Insurance Corporation of India (Cuttack BO-III of Cuttack D.O.)

Award dated 21st April, 2010

FACT:-

The grievance of the complainant is that she had taken a New Janarakshya policy commenced from 20.03.2009 for a term of 21 years from the LICI bearing the policy no-588577096 for Rs.30,000/- sum assured with payment of yearly premium of Rs.1464.00. She alleged that she was told by the agent of the insurer that within a very short period after initial deposit she would be granted a housing loan @8% but in turn the same was not materialized after a long gap and for that she approached the insurer to refund the deposited amount to her. The Insurer did not respond to her request. Though noticed, the complainant was preferred not to participate in the hearing while the representative of the insurer was present.The Insurer reiterated the same stand as taken by it in the Self-Contained Note at the time of hearing. According to the Insurer, the concerned agent was asked to give his observation where he refuted any such assurance was given by him to the Complainant. Also, no such assurance was given by any authorized person of the insurer. Further, the complainant was having option to cancel the policy during the cooling off period for refund of the amount which she had not done.

AWARD:-

The Hon'ble Ombudsman observed that after careful examination of the documents available it is clear that concerned agent of the insure collected the money and deposited the same after which the policy was issued. The allegation of the complainant against the false assurance of the agent and mis-selling of insurance plan.The complainant nowhere mentioned that the insurer has misled her or has not fulfilled the commitment. The agents of the insurer are given limited authority for procuring the business. The assurance given by the agent, if any, is his personal for which the insurer cannot be held answerable.

So, the Hon'ble Ombudsman opined that as there is no merit in the Complaint, the complaint is dismissed. However, if the complainant feels to be misled by the personal assurance of the agent of the insurer, she is free to approach other appropriate forum in this connection. On the other hand, for the allegation made by the Complainant against the agent, the insurer is advised to investigate at their end and if needed remedial measure be taken.

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BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-001-1081

Sri Santosh Rout Vs. Life Insurance Corporation of India (Cuttack BO-III of Cuttack D.O.)

Award dated 21st April, 2010

FACT:-

The grievance of the complainant is that he had taken a New Janarakshya policy commenced from 24.03.2009 for a term of 21 years from the LICI bearing the policy no-588578321 for Rs.30,000/- sum assured with payment of yearly premium of Rs.1445.00. He alleged that he was told by the agent of the insurer that within a very short period after initial deposit he would be granted a housing loan @8% but in turn the same was not materialized after a long gap and for that he approached the insurer to refund the deposited amount to him. The Insurer did not respond to his request. The Insurer reiterated the same stand as taken by it in the Self-Contained Note at the time of hearing. According to the Insurer, the concerned agent was asked to give his observation where he refuted any such assurance was given by him to the Complainant. Also, no such assurance was given by any authorized person of the insurer. Further, the complainant was having option to cancel the policy during the cooling off period for refund of the amount which he had not done. However, the Complainant submitted that she was misled by the agent for

taking this policy and her financial condition would not permit to continue the policy.

AWARD:-

The Hon'ble Ombudsman observed that after careful examination of the documents available it is clear that concerned agent of the insure collected the money and deposited the same after which the policy was issued. The allegation of the Complainant is basically against the false assurance of the agent and mis-selling of insurance plan. The complainant nowhere mentioned that the insurer has misled her or has not fulfilled the commitment. The agents of the insurer are given limited authority for procuring the business. The assurance given by the agent, if any, is his personal for which the insurer cannot be held answerable.

So, the Hon'ble Ombudsman opined that as there is no merit in the Complaint, the complaint is dismissed. However, if the complainant feels to be misled by the personal assurance of the agent of the insurer, she is free to approach other appropriate forum in this connection. On the other hand, for the allegation made by the Complainant against the agent, the insurer is advised to investigate at their end and if needed remedial measure be taken.

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BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-003-1082

Sri Govinda Ch. Mohapatra Vs. TATA AIG Life Ins. Co. Ltd.

Award dated 21st April, 2010

FACT:-

The grievance of the complainant is that he had taken single premium policy from TATA AIG Life Insurance Co. Ltd. under policy no-U153421015. But, when he received the policy he could know that he had to pay Rs.30,000/- for 15 years. So, he immediately requested for cancellation and to refund his deposited premium amount. As his request was not complied with he has approached this forum. At hearing, both parties were heard. The representative of the insurer submitted during course of hearing that they have taken the grievance of the complainant and had taken decision to refund the premium amount and to cancel the policy. The complainant on the other hand submitted that he entitled to get interest for the delay.

AWARD:-

The Hon'ble Ombudsman observed that the insurer has refunded the deposited premium amount of Rs.30,000/- through cheque on 18.03.2010. As regards to payment of interest, he is of the opinion that after perusal of the correspondence and hearing both parties he did not find any ulterior motive of the insurer for delay in refunding the amount. So, in that case the question of payment of interest does not arise.

Thus, the case is closed as settled.

11

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1097

Sri Pravat Kumar Rout Vs. Life Insurance Corporation of India (Uditnagar B.O. of Sambalpur D.O.)

Award dated 20th August, 2010

FACT:-

The Complainant had taken one insurance policy bearing no.591855995 from Life Insurance Corporation of India for Rs.1,00,000/- sum assured with date of commencement as 28.10.2002. He opted for surrender of his policy as he was in urgent need of money. All original documents were sent to the servicing Branch of the insurer followed by reminder on 21.12.2009. His request was not considered and there was delay in settlement of surrender value. So, the complainant contended that the insurer be asked to settle it promptly. The insurer in their self-contained report informed that they have settled the surrender value for Rs.767/- on 17.3.2010. The insurer also provided the details of their calculation of surrender value on 04.08.2010 to the Complainant. The plan opted by the Complainant was a high risk plan with low premium and only 3 and ¾ years premiums were paid. The complainant however requested for adjudication of the complaint since very less amount was paid to him as surrender value.

AWARD:-

The Hon'ble Ombudsman observed that the calculation of Surrender Value was done correctly by the insured. The complainant had opted for high risk plan. The quarterly premium being Rs.255/-, he was supposed to pay Rs.30,600/- towards premium during the policy term of 30 years but enjoying the life risk cover for Rs.1,00,000/- sum assured. He (the Complainant) had deposited premium for 3 and ¾ years only (15 qly. instalments). Therefore, premature withdrawal in the form of surrender value was quite small.

In view of the above, the Hon'ble Ombudsman held that the complainant's grievance is misconceived and in the result, the complaint is dismissed.

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BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-25-002-1099

Sri Rajesh Kumar Gupta Vs. S.B.I. Life Ins. Co. Ltd.

Award dated 19th August, 2010

FACT:-

The Complainant had submitted the proposal with initial deposit of Rs.16,692/- on 31.10.2009. The insurer refunded the amount on 18.1.2010 on the ground that the proposal was cancelled due to closure of the product. On the contrary, the complainant stated that the insurer did not mention the closure date and if so they should not have accepted the proposal and the initial deposit. He therefore requested that SBI Life Insurance Co. Ltd. be directed to accept the premium and issue him the policy against the proposal or he should be given due interest for delay in refund and compensation of Rs.2,00,000/-.

But, according to the insurer, the proposal could not be completed due to some requirements which were fundamental in character without which a proper risk assessment could not be possible and also the plan which the complainant had opted for had been closed on 15.12.2009. By that time the requirement was not submitted. So, they refunded the deposit amount on 13.01.2010. The insurer, therefore, contended that it had not erred.

AWARD:-

The Hon'ble Ombudsman observed that as the plan closed on 15.12.2009 due to the revised IRDA Regulations it would not possible on the part of the insurer to issue the impugned policy. Further, the Hon'ble Ombudsman is of the view that the complainant would have had no difficulty in furnishing income proof, etc. had he been asked to do so. The insurer had accepted the premium and yet did not issue the policy to the complainant and refunded the deposited amount to the Complainant. In the mean time, the complainant would have been in agony besides being deprived of the use of the amount paid. Since the insurer cannot issue the policy in question to the complainant, the only option is to consider ex gratia payment to the complainant. This is so particularly due to the fact that the insurer refunded the amount to the complainant stating that it could not issue the policy due to closure of the plan. It is needles to mention here that the alleged failure of the complainant to comply with certain formalities did not find mention in the communication to the complainant.

In view of the above, the Hon'ble Ombudman held that the complainant is entitled to ex gratia and accordingly the insurer is directed to pay ex gratia of Rs.10,000 (Rupees Ten thousand only) to the complainant and hence the complaint is partly allowed.

13

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-25-001-1103

Sri Abhay Dutta Kaushik Vs. Life Insurance Corporation of India (Jeypore BO of Berhampur D.O.)

Award dated 19th August, 2010

FACT:-

The Complainant had taken health plus policy bearing no-571820147 with commencement date 17.9.2009 from LIC of India with annual premium of Rs.7500/- covering himself and his wife for health risk. The policy document contained a mistake in the name written in the policy. Besides, the name of the insured person was found missing. He returned the policy bond through the agent for necessary correction but no action was taken. Being aggrieved, the Complainant filed the complaint before this forum seeking redressal of his grievance.

AWARD:-

On the date of hearing, the insurer's representative informed this forum that necessary correction has been made in the policy master and the policy document returned to the complainant on 27th March, 2010. The insurer also has issued the health card on 8-4-2010.

So, the Hon'ble Ombudsman opined that as the grievance of the complainant has already been redressed, the complaint is treated as allowed.

14

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-005-1104

Sri P. Ram Prasad Vs. HDFC Std. Life Ins.Co. Ltd.

Award dated 20th August, 2010

FACT:-

The Complainant had taken a policy from the HDFC Std. Life Insurance Co. Ltd. But, he alleged that he was misled by the insurer and all facts were not explained to him properly while selling the policy. The officials of the insurer assured him that the amount would be doubled within 5 years after payment of 3 premiums. But the present fund value was less than the amount of Rs.1,00,000/- deposited by him. Secondly, he was told that there would be no surrender charge, if the surrender was after three years and on this aspect he addressed a letter to the insurer who in turn remained silent. He further requested to covert his to one single premium policy as he retired from service and in a position to pay the premium.

According the insurer, the Complainant was proposed for Unit Linked Pension Policy with yearly Premium of rs.1,00,000/- for 10 years term and it officials had made proper explanation in detail about the terms and conditions, benefits, features and considerations of the plan to him. After understanding everything, the complainant affixed his signature to the proposal and he also submitted other documents for completion of the proposal. While applying for surrender of the policy on 23.07.2009 he did not mention anything about mis-sale or fraud. So, the insurer expressed its inability to cancel the policy as the complainant approached beyond the free-look period. Also, the complainant did not mention mis-sale on his letter dated 18.12.2009 requesting for conversion of the policy into singe one.

AWARD:-

The Hon'ble Ombudsman observed that the complainant had appended his signature to the proposal after reading the terms and conditions and also supplied necessary documents for completion of the proposal. Thus, there is no evidence for the complainant to support his contention that the insurer mis-sold the policy to him. The insurer, on the other hand, conclusively demonstrated that the complainant was not misled while selling the policy and that there was no error in selling the policy to him. Further, it is also admitted that the Complainant did not make any effort to return the policy during the free look period.

So, the Hon'ble Ombudsman held that as there is no documentary evidence in support of the complainant's averment that the insurer misled the complainant while selling the policy, the complainant's claim of mis-sale is bereft of any merit and hence dismissed without any relief.

15

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-005-1105

Sri P. Veena Vs. HDFC Std. Life Ins.Co. Ltd.

Award dated 20th August, 2010

FACT:-

The Complainant had taken a policy from the HDFC Std. Life Insurance Co. Ltd. But, she alleged that she was misled by the officials of the insurer who assured her that the amount would be doubled within 5 years after payment of 3 premiums. But the present fund value was less than the amount of Rs.1,00,000/-. Secondly, she was told that there would be no surrender charge, if the surrender was after three years and on this aspect she addressed a letter to the insurer who in turn remained silent. Also, the insurer not explained her all key features of the plan properly while selling the policy. Further she requested to covert his to one single premium policy as her husband was retired from service and she was not in a position to pay further premiums.

According the insurer, the Complainant was proposed for Unit Linked Pension Policy with yearly Premium of rs.1,00,000/- for 10 years term and it officials had made proper explanation in detail about the terms and conditions, benefits, features and considerations of the plan to him. After understanding everything, the complainant affixed her signature to the proposal and she also submitted other documents for completion of the proposal. While applying for surrender of the policy on 23.07.2009 she did not mention anything about mis-sale or fraud. So, the insurer expressed its inability to cancel the policy as the complainant approached beyond the free-look period. Also, the complainant did not mention mis-sale on her letter dated 18.12.2009 requesting for conversion of the policy into singe one.

AWARD:-

The Hon'ble Ombudsman observed that the complainant had appended her signature to the proposal after reading the terms and conditions and she also supplied necessary documents for completion of the proposal. Thus, there is no evidence for the complainant to support her contention that the insurer mis-sold the policy to him. The insurer, on the other hand, conclusively demonstrated that the complainant was not misled while selling the policy and that there was no mistake committed by it in selling the policy to her. Further, it is also admitted that the complainant did not make any effort to return the policy during the free look period.

So, the Hon'ble Ombudsman held that as there is no documentary evidence in support of the complainant's averment that the insurer misled the complainant while selling the policy, the complainant's claim of mis-sale is bereft of any merit and hence dismissed without any relief.

16

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1106

Sri Saroj Kumar Panda Vs. Life Insurance Corporation of India

Award dated 20th August, 2010

FACT:-

The Complainant had taken one Health Plus policy bearing no.586604586 on 15.03.2008 covering himself and family (wife and son) from Life Insurance Corporation of India. At the time of taking the policy, he was told that all hospitalization cases would be entertained. His wife was hospitalized on 11.9.2009. After treatment, he submitted a bill of Rs.25766/- on 27.10.2009 along with the original prescription, bills and vouchers. But his claim was settled only for Rs.3150/-. The reason for disallowing a part of the claim amount needed to be explained. So, he prayed for advising the LICI to settle the claim in full and if some claims were not admissible, the same should be informed to him furnishing the reasons for inadmissibility.

According to the insurer, the partial rejection of claim was due to the provision of *"Major Surgical Benefit" and "Hospital Cash Benefit"*. The surgery undergone by the spouse of the complainant was not covered under 49 types of surgeries listed in the Welcome Kit (Page 25 to 28). The hospital benefit is subject to the condition under Sl. No. 3 (1) (i) of the Welcome Kit where it had been mentioned that the claim for 48 hours of hospitalization was excluded. The Welcome Kit was sent to each Policy Holder along with the policy bond. Since the policy holder had not complained earlier on of non-receipt of such document mentioned in the policy bond, it was presumed that he had received it along with the Policy Bond. Secondly, since all in details were provided in the Policy Bond and Welcome Kit, there was no need to separately explain to the complainant about procedure and rules of relating to settlement of claims.

AWARD:-

After a careful perusal of documents made available, the Hon'ble Ombudsman observed that settlement of *"Major Surgical Benefit" and "Hospital Cash Benefit"* has been done as per the terms and conditions of the policy. Of course, the insurer should have furnished the reasons for partial rejection of the claim. The Policy holder had the option of canceling the policy within 15 days of receipt of the policy bond if any terms and conditions were not acceptable to him. The complainant is educated and he ought to have read the conditions and he also ought to have realized that there could be no health policy without conditions. His other contentions that the insurer's agent and the manager did not inform him properly have no force.

So, in view of the above, the Hon'ble Ombudsman opined that the insurer rightly restricted the claim.

In the result, the complaint is dismissed.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-002-1113

Sri Manoj Sahu Vs. S.B.I. Life Ins. Co. Ltd.

Award dated 19th August, 2010

FACT:-

The Complainant had taken a life-long pension plan by paying one time single premium for Rs.5,09,456/- on 21.12.2004 out of which Rs.5,00,000/- was towards pension and Rs.9456/- was premium for life cover sum assured from SBI Life Insurance Company Ltd. After his several requests, he got the statement where he found reduction in the value of cumulative vested bonus and minimum guarantee return for the year 2007-08 and 2008-09. Later on, the insurer also revised the statements for the year 2005-06 and 2006-07 to the detriment of him.

According to the insurer, the PPA statement given by them on 10.07.2008 was incorrect inasmuch as it contained an error for which they corrected the PPA statement for the years 2004-05 to 2009-10. The insurer also submitted that while the guaranteed additions remained same throughout the term, the bonus was not guaranteed under the policy.

AWARD:-

The Hon'ble Ombudsman observed that though the mistake in calculation done by the insurer was clerical in nature but it cannot be disputed that the mistake realized after a few years has had monetary implication for the complainant. However, he derived at the conclusion from the discussion with both the parties that the overall disadvantage to the complainant in real term would be about Rs.10,000/-. Since it is impermissible to ask the insurer to ignore the clerical error and continue to extend the benefits, overlooking the error, as originally computed, it is necessary to grant ex-gratia to the complainant so as to recompense him.

So, the Hon'ble Ombudsman is of the view that ex-gratia of Rs.10,000/- would meet the ends of justice. Accordingly, he directed the insurer to pay ex-gratia of Rs.10,000/- to the complainant. Thus, the Complaint is partly allowed as ex-gratia of Rs.10,000/-.

18

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-009-1130

Sri Prasant Kumar Rout Vs. Bajaj Allianz Life Ins. Co. Ltd.

Award dated 20th August, 2010

FACT:-

The Complainant had taken one insurance policy by paying Rs.25,000/- as one time premium under the impression that the policy would be single premium policy. Later on, when he got the renewal premium reminder notice,

he realized that the policy was for 10 years term and payment mode was annual. His explicit intention of taking one time policy was reflected in the proposal form. His request for ratifying the policy into single premium one was not effected so far. So, he desired for refund of his deposited without deduction and with interest and costs.

According to the insurer the proposal form contained two entries: one was for annual mode for 10 years and the other was a single premium mode.

AWARD:-

The Hon'ble Ombudsman observed that the proposal form submitted by the complainant mentioned single premium while at another place, it was mentioned as annual mode for 10 years. This proposal, therefore, was faulty and the insurer ought to have taken steps to obtain a clarification from the insured as to which mode he actually opted for. Instead of obtaining a clarification to this effect, the insurer issued a policy requiring annual premium for 10 years. Clearly, the contract between the two parties was voidable at the option of the complainant. Consequently, the complainant is entitled to refund of the amount from the insurer.

Thus, the Hon'ble Ombudsman found merit in the complaint and directed the insurer to refund the amount paid by the complainant together with interest @ 7% from the date of receipt of the amount till the date of refund of the amount to the complainant. Costs are not allowed.

In the result, the complaint is partly allowed.

19

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-009-1131

Sri Sriram Panda Vs. Bajaj Allianz Life Ins. Co. Ltd.

Award dated 19th August, 2010

FACT:-

The Complainant had taken two unit linked insurance policies bearing no- 0039472643 & 0039490665 on 5.3.2007 and 14.3.2007 respectively from Bajaj Allianz Life Insurance Co. Ltd. under the impression that those were single premium policies. Later on, after receipt of the policy bonds, he found that those were annual mode policies. So, he requested the company for cancellation of the policies and refund of the deposited amount during free look period. His request for cancellation of the policies was being delayed. He was also given to understand that after three years he would be getting back the money, but ultimately it was rejected by the company. So, he requested the insurer to refund the premium amount as the policies were mis-sold to him.

According to the insurer, policies were issued on the basis of the proposal and the copies of the proposal provided to the complainant along with policy bonds. The complainant had no where denied receipt of the policy documents. The complainant had got the option to avail the free look cancellation. But, the company had not received any such request within free look period. The complaint regarding mis-selling was only an after-thought and there was no evidence in support of the statements of the complainant.

AWARD:-

The Hon'ble Ombudsman has convinced that some agent had duped the complainant's father. The complicity of the insurer's manager also cannot be ruled out. The complainant or his father had no capacity to pay further premiums. They are almost in penury. Considering that the policies lapsed and there would be lapsed fund value, he deemed it appropriate to allow ex gratia of Rs.25,000/- on each of the two policies. The relief to the complainant in respect of both the policies would work out to Rs.50,000/-.

In the result, the complaint is partly allowed as ex gratia of Rs.50,000/- (Rs. Fifty thousand only).

20

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-009-1130

Sri Sandeep Kumar Panda Vs. Bajaj Allianz Life Ins. Co. Ltd.

Award dated 20th August, 2010

FACT:-

The Complainant's father had taken two unit linked insurance policies bearing no- 0039472643 & 0039490665 on 5.3.2007 and 14.3.2007 respectively from Bajaj Allianz Life Insurance Co. Ltd. on the life of the Complainant as he was a minor on the dates of proposal and his father was under the impression that those were single premium policies. Later on, after receipt of the policy bonds, the complainant's found that those were annual mode policies. So, his father requested the company for cancellation of the policies and refund of the deposited amount during free look period. His request for cancellation of the policies was being delayed. He was also given to understand that after three years he would be getting back the money, but ultimately it was rejected by the company. So, he requested the insurer to refund the premium amount as the policies were mis-sold to him.

According to the insurer, policies were issued on the basis of the proposal and the copies of the proposal provided to the complainant's father along with policy bonds. He had no where denied receipt of the policy documents. The father of the complainant had got the option to seek cancellation of the policies during free look pweriod. But, the company had not

received any such request within free look period. The complaint regarding mis-selling was only an after-thought and there was no evidence in support of the statements of the complainant.

AWARD:-

The Hon'ble Ombudsman has convinced that some agent had duped the complainant's father. The complicity of the insurer's manager also cannot be ruled out. The complainant or his father had no capacity to pay further premiums. They are almost in penury. Considering that the policies lapsed and there would be lapsed fund value, he deemed it appropriate to allow ex-gratia of Rs.25,000/- on each of the two policies. The relief to the complainant in respect of both the policies would work out to Rs.50,000/-.

In the result, the complaint is partly allowed as ex-gratia of Rs.50,000/- (Rs. Fifty thousand only).

21

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1133

Sri Padma Loachan Tiari Vs. Life Insurance Corporation of India (Balasore BO of Cuttack D.O.)

Award dated 22nd September, 2010

FACT:-

The Complainant had taken two policies from LICI and paid premium for both the policies for 13 years. He surrendered both the policies for his financial difficulties. But the insurer paid him lesser amount as surrender value in comparison to his deposited amount as premiums with the insurer. However, the insurer furnished details of surrender value calculation for both the policies in its Self Contained Note by referring to the policy conditions and the surrender value booklet and the bonus charts and confirmed that payment made by it to the complainant for both the policies were correct surrender value.

AWARD:-

The Hon'ble Ombudsman observed that surrender is the premature withdrawal of the value payable on maturity. Since risk factor is involved in all insurance policies, when the policyholder desires to close the policy before maturity, loss is likely to be the result. The insurer correctly arrived at the surrender value based on the standard method of calculation of

the surrender value for both of the policies of the Complainant and he did not find any mistake in the calculations of the insurer.

In view of the above, the Hon'ble Ombudsman expressed his opinion that as grievance of the Complainant is ill founded, the same is dismissed.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-013-1134

Sri Banamali Behera Vs. Aviv Life Ins.Co. India Ltd.
(Balasore BO of Cuttack D.O.)

Award dated 21st September, 2010

FACT:-

The Complainant had taken one policy bearing no. RPG - 1800584 dated 27.12.2007 from Aviva Life Insurance Company Ltd. on payment of Rs.50,000/- treating that as fixed deposit. He was given the impression that after two years he would be getting Rs.2800/- every month till death as pension. When he approached the local office of the insurer in December 2009, he was told the policy was in lapsed condition for non-payment of premium. He was supposed to pay Rs.50,000/- every six months for five years. Being an illiterate person, he had no knowledge of insurance and he was deliberately misguided by the officials of the insurer. Hence, he approached this forum for redressal with complaint of mis-selling and requested that his deposited amount of Rs.50,000/- with interest be refunded to him.

AWARD:-

The insurer stated that the complainant had submitted the proposal for Pension Plus Unit Linked Policy after going through the key feature document and other related documents. On that basis the policy was issued and the policyholder did not avail the cooling off option to cancel the policy. Later on the policy got lapsed for non-payment of premium due from 6/2008 and as per the terms and conditions of the policy, the complainant was not entitled to any refund under the policy. The complainant stated in the hearing that he had received an amount of rs.2 laksh following sale of his land and he was approached by the insurer's agent and official with the promise of life time monthly pension on one-time payment.

Since the insurer relied upon the proposal form signed by the complainant, the said form was examined in the course of the hearing. The

proposal form required the proposer to state in the vernacular language in his own handwriting that he understood the contents of the proposal. The complainant was asked to write the statement in Oriya to the dictation of our office and affix his signature thereunder. This exercise was revealing. The signature tallied but the affirmation written by the complainant before the Hon'ble Ombudsman was not in the same handwriting as in the proposal form. The two were shown to the insurer's representative. He examined the two and stated that the two were not that of the same hand.

After carefully examined the documents submitted and have heard the contention of both the parties, the Hon'ble Ombudsman is of the opinion that when the proposer had not understood the contents of the proposal and somebody else had written that vernacular declaration, it can be deduced that contract was flawed. The contract was not entered into with the consent of both the parties and so it is voidable. It is also ludicrous that the insurer accepted a proposal of the complainant, a labourer, for Rs.4,00,000/- Sum Assured.

In view of this, the Hon'ble Ombudsman held that the Insurer erroneously issued a policy to the complainant and this clearly was a case of mis-sale and voidable at the option of the complainant. So, he directed the insurer to cancel the policy and refund the premium amount together with interest @7% from 01.01.20008 till the date of payment of the amount to the complainant.

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BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1138

Sri Arabindo Parida Vs. Life Insurance Corporation of India (Sambalpur BO:II of Sambalpur D.O.)

Award dated 20th September, 2010

FACT:-

The Complainant had taken one Jeevan Suraksha pensions plan policy bearing no-591012080 from Life Insurance Corporation of India with date of commencement as 28.03.1997. the pension amount was vested for payment on 28.03.2009. There was delay in settlement of the pension amount inspite of his submission of pension option and telephonic contacts with Branch and Divisional Office in-charges. He also made complaint that he had returned the

pension cheque as LICI has released his pension cheque at Rs.1516/- instead of Rs.1707=25 as mentioned in the policy bond.

AWARD:-

The Hon'ble Ombudsman observed that the insurer in its Self-Contained Note informed this forum about release of pension cheque which was delayed due to non-availability of the official documents. However, the pension cheques were released @Rs.1516/- per month as per the exercise of Pension Option-F before vesting by the complainant. But, at the time of issuance of policy, the amount of monthly pension was mentioned at Rs.1707=25 taking into account the presumption that the Complainant would exercise Option-D before vesting. If, however, the complainant desired to change in his option, it would do so if the complainant stated the same in writing. However, the insurer furnished a copy of the complainant's letter dated 14.09.2010 in which the complainant expressed satisfaction with Option F already exercised by him.

In view of the above, the complaint is treated as dismissed.

24

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-009-1148

Sri Padma Loachan Tiari Vs. Bajaj Allianz Life Ins. Co. Ltd.

Award dated 22nd September, 2010

FACT:-

The Complainant had taken two policies bearing no.581510863 and 581454961 from Bajaj Allianz Life Insurance Co. Ltd. He applied for surrender of his policy. He was assured by the insurer's local official that the surrender value amount would be credited to his SB account within three days. But, in reality, he received the surrender cheque after a gap of two and half months and he contended that the amount was less than the amount deposited by him over the last three years. On the other hand, the insurer in their Self-contained note stated that the surrender value was obtained as per the terms and conditions of the policy

AWARD:-

The Hon'ble Ombudsman observed that the insurer has paid the surrender value as per the terms &conditions of the policy and the

method of calculation of surrender value provided in the policy. So, the Hon'ble Ombudsman opined that the insurer cannot be fastened with any further liability after having paid the surrender value, which has been arrived at as per the terms of the policy.

In the result, the Complaint is dismissed without any relief.

25

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-23-001-1151

Sri Bimal Kanta Nayak Vs. Life Insurance Corporation of India (Bhubaneswar BO-II, Bhubaneswar D.O.)

Award dated 24th September, 2010

FACT:-

The Complainant had taken one Jeevan Adhar policy from the LICI for the benefit of his mentally retarded dependant brother. The intention of getting the policy was to get the pension after the prescribed period for the livelihood and sustenance of the dependant as understood/learnt by him at the time of taking the policy. But to his utter dread and dismay he felt that any sensible analysis of the policy features and benefits would testify to the fact that the policy benefitted only the insurer and not the policyholder and the intended beneficiary. He also felt that the insurance industry marketed multiple policies every day focusing on features that appeal (which in the instant case was annuity/pension) and the public was incapacitated from reading between the lines of the fine print. Furthermore, he added that his several correspondences/contact with the Chairman of LICI failed to elicit suitable response. So, his request was that the Ombudsman should intervene and ensure removal of the said aberrations in the policy and make it purposeful.

On the other hand, the Insurer in its Self-Contained Note stated that this plan was an exclusive plan for the person who had to take care of a handicapped dependant. The insurer further stated that both the insurer and insured were bound by the policy conditions.

At hearing, both parties attended and reiterated the same facts as are mentioned by the Complainant in his Complaint letter and the representative of the Insurer in its Self-Contained Note.

AWARD:-

The Hon'ble Ombudsman observed that the policy bond clearly states the benefits payable as also the persons to whom the benefits are payable and the time of payment. There is no ambiguity in the terms and conditions governing the policy. The complainant was expected to have gone through the terms and conditions while taking the policy and if the terms did not match his expectations, he should have taken steps to approach the insurer immediately on receipt of the document.

The Hon'ble Ombudsman was also of the view that the complainant appears to have realized rather belatedly that the policy was loaded heavily against the insured. It is quite possible that the policy is futile. Yet, after a lapse of 10 years, it may not be feasible to alter the terms of the contract. The policy document is a contract, the terms of which bind both the parties equally. The complainant has taken the plea that the gullible public has no capacity to read the fine print of the policy. But insurance is a business conducted on the basis of documents.

The Hon'ble Ombudsman finally opined that it is not within his capacity to comment on the merits or otherwise of the policy in question. The complainant is anguished that the policy which he had taken with the intention of helping his handicapped brother would not serve that purpose. The Insurance Ombudsman has been vested with the task of redressal of specified grievances listed under Rule 12 of the Redressal of Public Grievances Rules, 1998. The grievance voiced by the complainant is not one which is listed under Rule 12. So, he, therefore, stated that the Insurance Ombudsman is incapacitated from redressing the grievance of the complainant.

In the result, the Complaint is dismissed without any relief.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1157

Sri Pravakar Pradhan Vs. Life Insurance Corporation of India (Bolangir B.O. of Sambalpur D.O.)

Award dated 20th of September, 2010

FACT:-

The Complainant had taken one Market Plus (ULIP) policy from the LICI (insured) and had told by the agent and B.O. of the insurer for single premium mode, but the mode of payment of premium was 'Yearly' instead of 'Single' which fact was known to him (Complainant) only after 3 1/2 years. Had he known earlier about the yearly mode, he could have continued payment of yearly installment premium. So, he made allegation against the agent and official of the insurer for deliberate mis-selling to him which resulted in financial loss.

However, the insurer in their Self-Contained Note stated that mode as per proposal form was yearly and accordingly policy bond was issued, the proposer was a literate person and signed the proposal in English and he could have gone through the policy bond and availed cooling off option which he did not opt for. So, the policy was automatic foreclosure due to insufficient funds as per the terms and conditions of the policy.

AWARD:-

The Hon'ble Ombudsman observed that the insurer is not guilty of mis-selling of the policy because the Proposer was not an illiterate one.

In the result, the Complaint is dismissed without any relief.

27

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1167

Sri Siba Sankar Patro Vs. Life Insurance Corporation of India Aska B.O. of Berhampur D.O.)
Award dated 20th of September, 2010

FACT:-

The Complainant had taken one health plan bearing number 572546856 issued by the Life insurance Corporation of India (insurer). Though the premium was deposited on 1.1.2010, as on the date of the complaint, he had not received the insurance document/health card within the prescribed time frame of IRDA. The matter was reported to the concerned Branch-in-charge by the Complainant on 17.4.2010. But no action was taken by them. This caused mental agony. Aggrieved by the inaction of the insurer, he approached this forum for redressal.

However, the insurer in their Self-Contained Note stated that the policy bond issued to the Complainant was delayed because this policy is a new one and the policy bond was not available instantly. The health card was also received by the Complainant. Though there was delay in issuance of the policy bond/health card, the information about the acceptance about the proposal was given to the Complainant on the date of deposit of the amount in the form of First Premium Receipt carrying necessary details of the policy.

AWARD:-

The Hon'ble Ombudsman observed that the insurer delayed issue of the policy bond and the health card. The complainant has since received both. It is possible that the complainant was put to inconvenience because of the delay in supply of the policy document and the health card. The complainant stated that he could not make applications to

some world bodies because he did not have the health insurance policy. It is probable that the complainant suffered mentally and otherwise because of the intransigence of the insurer in addressing the complainant's grievances. But the Insurance Ombudsman has serious limitations. He can mediate between the insurer and the complainant, award a claim or grant *ex gratia* in relation to only the complaints specified under Rule 12. He has no authority to chastise the insurer. He also cannot award compensation of the kind sought by the complainant. Rule 16(2) of the Redressal of Public Grievances Rules, 1998 limits the award to the loss suffered as a direct consequence of the insured peril and no more.

In the result, the complaint is treated dismissed.

28

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-013-1168

Sri Satya Narayan Ram Vs. Aviva Life Ins. Co. India Ltd.

Award dated 22nd of September, 2010

FACT:-

The Complainant had taken two policies from Aviva Life Insurance Company Ltd. under the impression that it was one time deposit. When he got the renewal premium notice, he approached the officials of the company for clarification. So, he sought refund of the amount paid which was not obliged by the insurer. He contended that there was mis-selling and misrepresentation. Being an illiterate person, he could not understand the terms and conditions of the policies and was completely misguided. So, he requested that the insurer should be asked to refund the deposited amount alongwith bank interest applicable for fixed deposits.

However, the insurer in their Self-Contained Note stated that after fully understanding all the key feature documents and other related documents, the Complainant submitted the proposal for the first policy. On that basis they have issued the policy, but the Complainant did not avail the free look period option to cancel the policy and the same lapsed for non-payment of premium inspite of premium notice intimation and reminders were sent to him. Similarly, the the second policy was issued to the complainant which was lapsed and reinstated also. But, the said policy was again come to lapsed condition due to non-payment of premium. It is also further stated by the Insurer that the complainant was not entitled to any refund under the policies.

AWARD:-

The Hon'ble Ombudsman observed that the complainant is in business. He supplies stationery items to the Govt. institutions. He had also taken some more policies from the same insurer. He signed the proposal form in English. From his manner of speaking, he appeared to be educated. The

policy bond issued to him carried the provision "right to reconsider" wherein he was given the privilege to apply for cancellation of the policy within 15 days from the date of receipt of the policy document. The complainant did not avail that opportunity.

The complaint, which has been lodged after two years of issuance of the policies and when the polices were treated as lapsed, by a person who stated that he did not read the conditions in order to know the policy terms, cannot be examined for mis-sale of the policies. It is quite possible that he trusted the agent rather than the terms and conditions in print and that agent might have misled him. But such a possibility cannot be invoked in order to agree that the policies were mi-sold to the complainant. In view of the above, he opined that there isno merit in the complaint.

In the result, the complaint is dismissed without any relief.

29

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-25-007-1175

Sri Manoj Ku Deb Vs. Max New York Life Ins. Co. Ltd.

Award dated 24th of September, 2010

FACT:-

The Complainant had taken two policies bearing numbers 809010754 &757868237 from Max New York Life insurance Co. Ltd. in the month of September 2009 by depositing Rs.25000/- as half-yearly premium in total. The insurer did not issue the insurance bonds and the other documents in spite of repeated requests made in person and over telephone. Then, he requested the insurer for return of the deposited amount of Rs.25,000/-. Instead of returning the premium amount, the insurer informed him that the policies had lapsed. All his letters and legal notices did not yield any result. Aggrieved, he had approached this forum for redressal of his grievance.

AWARD:-,

The Hon'ble Ombudsman observed that the complainant's contention is that the insurer had not furnished him the insurance bonds in spite of several reminders. So, he wanted that the deposited amount be refunded to him on cancellation of policies. But, as yet, there was no response from the insurer. Instead, the insurer told him that the policies were in lapsed condition. So, he prayed that the insurer be ordered to refund the deposited amount. The insurer vide letter dated 13th September 2010 informed that the matter has since been resolved to the satisfaction of the complainant which

transpired that the insurer has cancelled the policies and refunded the deposited amount to the complainant.

In view of the above, it is evident that the grievance of the complainant has been redressed to his satisfaction. That must be the reason for his absence on the date of hearing.

In the result, the complaint is treated as allowed for statistical purpose.

30

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1176

Sri Banabihari Mishra Vs. Life Ins. Corporation of India

Award dated 23rd of September, 2010

FACT:-

The Complainant had taken one Heath Plus plan bearing no.586604692 from the Life Insurance Corporation of India whereunder he himself, his wife and son were covered for health insurance benefit. After one year of inception of the policy, on 27.5.2009, his son, underwent fistula operation. He was admitted on 24.5.2009 and discharged on 31.5.2009. The claim was not lodged within 15 days. It was delayed because UNID No. was not issued to him which later on he got on 13.2.2010. He had submitted all the requirements to the TPA. But the claim was denied on the ground of non-submission of requirements. Being aggrieved, the Complainant has filed this complaint.

But, the insurer in its Self-Contained Note stated that the claim was rejected because of non-submission of requirements in spite of several reminders. The claimant submitted discharge ticket with history of post urethroplasty fistula which, as per medical opinion, clearly suggested that the patient had undergone urethroplasty in the past. The insurer asked for the discharge summary of the previous surgery for consideration of claims which had not yet received by the insurer. The insurer furnished a copy of their letter dated 6. 9.2010 addressed to the complainant in this behalf.

AWARD:-,

On a careful appraisal of the facts of the case and examination of the documents, the Hon'ble Ombudsman held that the cited surgery was not covered under policy. The Insurer, therefore, was not at fault in denying the surgical benefits. The evidence relied upon by the Insurer's TPA in

support of PED was, however, not conclusive. Thus, the Hon'ble Ombudsman directed the insurer to settle the allowable Hospital Cash Benefit.

In the result, the complaint was partly allowed.

31

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-22-001-1181

Smt. Anjuprava Mohanty Vs. Life Ins. Corporation of India (Balasore BO of Cuttack D.O.)

Award dated 23rd of September, 2010

FACT:-

The Complainant was persuaded by one agent of Life Insurance Corporation of India for an insurance policy. The first premium for Rs.54157/- was deposited on 25.1.2008. For Age Proof, voter Identity card was taken. Till 24.9.2008, there was no information given to her on completion of the proposal. So, she wrote to the in-charge of the Branch for cancellation of the policy and reminders were sent on 30.10.2008 and 18.12.2008. Later on, on personal query, she was told that the proposal was converted to policy bearing no.589328695 and the policy bond was given to the concerned agent for delivery by the office. She was informed that the cancellation request could not be considered without the policy bond. On 31.12.2008, the concerned agent handed over the policy bond. On verification, the Complainant found that the Age Proof on which basis the proposal was completed was school which she had not given. So, she wrote again on 5.1.2009 for cancellation of the policy. She sent a reminder on 24.6.2009. The insurer had not acted upon her request. Being aggrieved, she filed this complaint.

However, the insurer in their Self Contained Note contended that as per the complainant's letter, she had received the policy bond on 31.12.2008 from her servicing agent and she had not applied for cooling off cancellation within 15 days. So, the policy could not be cancelled. Also, as the stipulated period has elapsed, it cannot be cancelled.

AWARD:-

After careful appraisal of the facts of the case and examination of the documents submitted, the Hon'ble Ombudsman observed that the complainant has produced evidence to show that she requested for cancellation well in time. Equally, he held that the insurer erred in not acceding to the complainant's request of cancellation of the policy. To be fair, the insurer has asked the complainant to return the policy bond for cancellation. So, the insurer is directed to cancel the policy after receipt of the policy bond from the complainant and to refund the premium amount to the complainant upon her surrendering the policy bond. He also directed the insurer to pay interest to the complainant at the applicable rate for delay from 6.1.2009 (the date on which the application for cancellation was received by the insurer after receipt of the

policy bond) till the date of refund of the premium after excluding the time taken by the complainant to return the policy bond.

As regards to the payment of costs to the complainant, he is of the view that the RPG Rules do not permit the Ombudsman to direct the insurer to pay costs. Therefore, he could not allow the costs asked for in the complaint.

In the result, the complaint is allowed in part.

DELHI

Case No.LI-DL-II/105/09

In the matter of Smt. Phool Mati Devi Vs

Life Insurance Corporation of India

ORDER dated 06.04.2010 - Disability benefit

1. Smt. Phool Mati Devi has made a complaint to this Forum on 05.06.2009, against LIC of India- D.O-II, regarding non settlement of disability benefit under policy no.: 122251063 on the life of her husband Shri Ram Ajore Upadhyay.

2. The complaint was fixed for hearing on 24.02.2010. The complainant Smt. Phool mati Devi was represented by her son Mr. Jitender Upadhyay and the Insurance Company was represented by Ms. Seem Arawkar, Manager (claims).

3. During the course of hearing it was informed by the representative of the Insurance Company that they are ready to admit the claim for disability benefit.

4. Now, we have been informed by LIC of India, that Rs.17250/- has been paid towards disability benefit @ Rs.250 pm to the complainant vide cheque no. 293931 dated 18.03.2010. However keeping in view the undue delay on the part of Insurance Company ii is directed that interest @ 8% be paid and details of payment be communicated to this Forum.

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

6. The complaint is disposed of.

7. Copies of the order to both the parties.

Case No.LI-HDFC/144/10

In the matter of Shri Satyender Kumar

Vs

HDFC Standard Life Insurance Company Limited

ORDER dated 14.06.2010 - Cancellation of policy

1. Shri Satyender Kumar has made a complaint to this Forum on 30.03.2010, against HDFC Standard Life Insurance Co. Ltd. regarding non cancellation of policy no. 13278367.

2. On intervention by this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. vide their letter dated 01.06.2010 that they have cancelled the policy and refunded the amount of premium of Rs.20,000/- to Shri Satyender Kumar vide cheque no. 621448 dated 04.05.2010 drawn on HDFC Bank.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-HDFC/282/09

In the matter of Shri Harvinder Singh Kohli

Vs

HDFC Standard Life Insurance Company Limited

ORDER dated 14.06.2010 - Cancellation of policy

1. Shri Harvinder Singh Kohli has made a complaint to this Forum on 15.12.09 against HDFC Standard Life Insurance Co. Ltd. regarding non cancellation of four policies under policy nos. 12919089 and 12913936 on his own life and policy nos. 12919205 & 12913955 on the life of his wife Ms. Puneet Kaur.

2. On the intervention by this office, it has been informed by HDFC Standard Life Insurance Co. Ltd. vide its letter dated 06.05.2010 that it had cancelled the policies and refunded the amount of premium of Rs.15,639.18/- and Rs.20852.22/- vide cheque nos. 620650 & 620651 dated 29.04.2010 drawn on HDFC Bank, Fort, Mumbai to Shri Harvinder Singh Kohli

3. It has also been informed by HDFC Standard Life Insurance Co. Ltd. vide its letter dated 06.05.2010 that it had cancelled the two policies and refunded the amount of premium

of Rs.15280.98/- & Rs.20,852.22/- vide cheque nos. 620049 & 620050 dated 29.04.2010 drawn on HDFC Bank, Fort, Mumbai to Smt. Puneet Kaur.

4. Accordingly complaint filed by the complainant stands disposed of.

5. Copies of the Order to both the parties.

Case No.LI-ICICI Pru/147/10

In the matter of Shri D.R.Sharma

Vs

ICICI Prudential Life Insurance Company Limited

ORDER dated 14.06.2010 - Cancellation of policy

1. Shri D.R. Sharma has made a complaint to this Forum on 16.03.10, against ICICI Prudential Life Insurance Co. Ltd. regarding Misselling and non cancellation of policy under policy no. 11804972 & 12973701.

2. On intervention by this office, we have now been informed by ICICI Prudential Life Insurance Co. Ltd. vide their letter dated 04.06.2010 that they have cancelled the policies and refunded the amount of premium of Rs.40,000/- & Rs.40,000/- to Shri D.R. Sharma vide cheque no. 706614 & 706615 dated 03.06.2010 drawn on ICICI Bank.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-HDFC/77/10

In the matter of Shri Nikhil Vasdev

Vs

HDFC Standard Life Insurance Company Limited

ORDER dated 14.06.2010 - Cancellation of policy

1. Shri Nikhil Vasdev has made a complaint to this Forum on 13.02.10, against HDFC Standard Life Insurance Co. Ltd. regarding non cancellation of policy no. 13218135.

2. On intervention by this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. vide their letter dated 02.06.10 that they have cancelled the policy

and refunded the amount of Rs.14838.29/- to Shri Nikhil Vasdev vide cheque no. 630333 dated 25.05.2010 drawn on HDFC Bank.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-HDFC/186/10
In the matter of Shri Harpal Singh
Vs
HDFC Standard Life Insurance Company Limited

ORDER dated 14.06.2010 - Cancellation of policy

1. Shri Harpal Singh has made a complaint to this Forum on 28.04.2010, against HDFC Standard Life Insurance Co. Ltd. regarding non no. 13042875.

2. On intervention by this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. vide their letter dated 04.06.2010 that they have cancelled the policy and refunded the amount of Rs.17,857/- to Shri Harpal Singh vide cheque no. 627137 dated 17.05.2010 drawn on HDFC Bank.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-HDFC/131/10
In the matter of Shri Samir Kumar

Vs

HDFC Standard Life Insurance Company Limited

ORDER dated 14.06.10 - Cancellation of policy

1. Shri Samir Kumar has made a complaint to this Forum on 09.03.10, against HDFC Standard Life Insurance Co. Ltd. regarding non cancellation of policy no. 13105491.

2. On intervention of this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. vide their letter dated 04.06.2010 that they have cancelled the policy

and refunded the amount of Rs.25,000/- vide cheque no. 630978 dated 28.05.2010 drawn on HDFC Bank to Shri Samir Kumar.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-HDFC/183/10

In the matter of Mr. Rejath Jacob Thomas

Vs

HDFC Standard Life Insurance Company Limited

ORDER dated 14.06.2010 - Cancellation of Policy

1. Mr. Rejath Jacob Thomas has made a complaint to this Forum on 29.04.10, against HDFC Standard Life Insurance Co. Ltd. regarding non cancellation of Policy under policy no. 12630244.

2. On intervention of this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. vide their letter dated 04.06.10 that they have cancelled the policy and refunded the amount Rs.60,000/-. The complainant has also confirmed having received the payment.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-ICICI Pru/140/09

In the matter of Shri Devender Singh Anand

Vs

ICICI Prudential Life Insurance Company Limited

ORDER dated 14.06.2010 - Hospitalization claim

1. Shri Devender Singh Anand has made a complaint to this Forum on 09.07.2009, against ICICI Prudential Life Insurance Co. Ltd. regarding denial of Hospitalization claim under policy no. 08553387.

2. On intervention of this office, we have now been informed by ICICI Prudential Life Insurance Co. Ltd. that they have settled the claim of Shri Devender Singh Anand for Rs.70160/- vide cheque no 381539.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-HDFC/163/10

In the matter of Shri Chaitanya Bhardwaj

Vs

HDFC Standard Life Insurance Company Limited

ORDER dated 30.06.2010 – Mis selling of policy

1. Shri Chaitanya Bhardwaj has made a complaint to this Forum on 08.04.10, against HDFC Standard Life Insurance Co. Ltd. for providing false information at the time of selling the policy no. 13595875.

2. On intervention by this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. vide their letter dated 25.06.10 that they have cancelled the policy and refunded the amount of Rs.50214.41/- vide cheque no. 637985 dated 12.06.2010 drawn on HDFC Bank to Shri Chaitanya Bhardwaj.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI/130/DO-1/09

In the matter of Dr. Bharat Bhushan Singh

Vs

Life Insurance Corporation of India

AWARD dated 30.06.2010 – Mis selling of policy

1. This is a complaint filed by Dr.Bharat Bhushan Singh (herein after referred to as the complainant) against LIC of India (herein after referred to as respondent insurance company) stating that the agent of the company has mis-sold the policy.

2. The brief facts of the case are that the complainant has submitted an application to LIC Housing Finance Company Limited for housing loan at Lajpat Nagar Branch. Shri Dubey, Branch Manager has sent agent Shri Subhash Choudhary who was a LIC Housing Finance Ltd. Agent, to his residence. The agent conveyed that for taken housing loan, it is mandatory to take LIC policy. It was submitted by the complainant that virtually he was forced to take the policy for taking housing loan. Subsequently, it was known to him that there was no mandatory requirement of taking policy for taking housing loan from LIC Housing Finance Company Ltd. He then approached LIC of India to cancel the policy. He further stated that though correct amount was mentioned in the receipt issued by LIC Branch in respect of deposit under the policy but when he received the policy bond, different amount was mentioned against the premium therein. When this discrepancy was brought to the notice of LIC Branch, the same was corrected. The complainant however, stated that the policy was missold to him. Had Shri Subhash Choudhary, agent not forced him to take the policy, he would not have taken the said policy. He requested to direct LIC of India to cancel the policy and refund the amount paid under the said policy.

3. Shri G.P.Pandey, the representative of LIC of India, during the course of hearing, submitted that life insurance policy had to be taken by the complainant for the purpose of collateral security against the housing loan.

4. After hearing both the parties and after careful consideration of the facts of the case, I find that the submissions made by the complainant are right. Taking further policy from LIC of India as collateral security against housing loan is not a mandatory condition. The complainant had taken the said policy under wrong pleading by the agent. If the agent had not pressed for taking a policy for taking a housing loan, he would not have taken the policy. Therefore, it appears to be a case of mis-selling. As regards the pleading of the representative of LIC that policy may be required as collateral security, the same also appears to be wrong because if the same was required as collateral security, the policy bond must have been pledged with LIC Housing Finance Ltd. whereas here the policy bond was in possession of the complainant. In such circumstances, it appears certain that there was a case of mis-selling of the policy on the part of the LIC agent and, therefore, **I direct LIC of India that the said policy be cancelled and the amount received as premium under the policy be refunded to the complainant immediately.**

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

Copies of the Award to both the parties

Case No.LI/131/DO-1/09

In the matter of Smt.Rajbala Singh

Vs

Life Insurance Corporation of India

AWARD dated 30.06.2010 - Mis selling of policy

1. This is a complaint filed by Smt.Rajbala Singh (herein after referred to as the complainant) against LIC of India (herein after referred to as respondent insurance company) stating that the agent of the company has mis-sold the policy.

2. The brief facts of the case are that the complainant has submitted an application to LIC Housing Finance Company Ltd. for housing loan at Lajpat Nagar Branch. Shri Dubey, Branch Manager has sent agent Shri Subhash Choudhary who was a LIC Housing Finance Ltd. Agent, to her residence. The agent conveyed that for taken housing loan, it is mandatory to take LIC policy. It was submitted by the complainant that virtually she was forced to take the policy for taking housing loan. Subsequently, it was known to her that there was no mandatory requirement of taking policy for taking housing loan from LIC Housing Finance Company Ltd. She then approached LIC of India to cancel the policy. She further stated that though correct amount was mentioned in the receipt issued by LIC Branch in respect of deposit under the policy but when she received the policy bond, different amount was mentioned against the premium therein. When this discrepancy was brought to the notice of LIC Branch, the same was corrected. The complainant however, stated that the policy was missold to her. Had Shri Subhash Choudhary, agent not forced her to take the policy, she would not have taken the said policy. She requested to direct LIC of India to cancel the policy and refund the amount paid under the said policy.

3. Shri G.P.Pandey, the representative of LIC of India, during the course of hearing, submitted that life insurance policy had to be taken by the complainant for the purpose of collateral security against the housing loan.

4. After hearing both the parties and after careful consideration of the facts of the case, I find that the submissions made by the complainant are right. Taking further policy from LIC of India as collateral security against housing loan is not a

mandatory condition. The complainant had taken the said policy under wrong pleading by the agent. If the agent had not pressed for taking a policy for taking a housing loan, she would not have taken the policy. Therefore, it appears to be a case of mis-selling. As regards the pleading of the representative of LIC that policy may be required as collateral security, the same also appears to be wrong because if the same was required as collateral security, the policy bond must have been pledged with LIC Housing Finance Ltd. whereas here the policy bond was in possession of the complainant. In such circumstances, it appears certain that there was a case of mis-selling of the policy on the part of the LIC agent and, therefore**, I direct LIC of India that the said policy be cancelled and the amount received as premium under the policy be refunded to the complainant immediately.**

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

6. Copies of the Award to both the parties.

Case No.LI/148/Reliance/09

In the matter of Smt. Raj Rani

Vs

Reliance Life Insurance Company Limited

AWARD dated 30.06.2010 - Mis selling of policy

1. This is a complaint filed by Smt.Raj Rani (herein after referred to as the complainant) against Reliance Life Insurance Company Limited (herein after referred to as respondent insurance company) stating that the agent of the company has mis-sold the policy.

2. The complainant approached this office with a request to direct the insurance company to cancel the policy. It has submitted that since request for cancellation of the policy was made within the free look period of 15 days, the insurance company ought to have cancelled the policy. It has been submitted by the complainant that policy bond was received for the first time on 02.01.2009. The submission of the insurance company that the policy bond was received earlier by way of service on Smt.Bimla Devi, mother of the complainant through courier is not correct because the name of the complainant's mother was not Bimla Devi. The name of the complainant's mother was Smt.Punjabi Rani who had expired long ago. Thus it was submitted by the complainant that the policy bond was not

received earlier than 02.01.2009 and since policy was received only on 02.01.2009 and application for cancellation of the policy was made on 05.01.2009, that is, well within the free look period, the insurance company was not justified in not cancelling the policy. It is further stated that the Insurance Company was approached many times for doing the needful but the same was not done. It is also pleaded by son and husband of the complainant at the time of hearing that the request for cancellation was turned down for wrong reasons stating that application for cancellation was not made within the free look period. It is requested to this forum to direct the insurance company to cancel the policy and refund the amount paid with penal interest.

3. The Insurance Company vide their letter dated 25.02.2010 informed this office that the complainant had deposited a sum of Rs.90000/- for Reliance Super Invest Assure Plan policy with yearly premium mode. The policy commenced on 29.09.2008 and the policy document was despatched to the address of the complainant on 03.12.2008 and was delivered at the residence of the complainant on 04.12.2008 vide BSA Logistics carrier. It has been admitted by the insurer that the complainant had requested for cancellation of the policy on 05.01.2009 but the request was not acceded to for cancellation of the policy, since the request was not made within the free look period.

4. After hearing both the parties and after careful consideration of the facts of the case, I hold that the insurance company was not justified in turning down the request of the complainant to cancel the policy because request was made to cancel the policy within free look period of 15 days. The policy was received by the complainant only on 02.01.2009. Service of policy on Smt. Bimla Devi as claimed by the insurance company cannot be said a proper service on the complainant because of the fact that Smt. Bimla Devi is not the mother of the complainant as stated by the insurance company. The mother of the complainant died long ago and her name was Smt. Punjabi Rani. Since policy document was received on 02.01.2009 and request to cancel the policy was made on 05.01.2009, the same being within the free look period, the insurance company was not justified in repudiating the request of the complainant to cancel the policy. **Accordingly, the insurance company is directed to cancel the policy of the complainant and refund the amount along with penal interest at the rate of 8% from 01.02.2009 till the time the payment is made.**

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

6. Copies of the Award to both the parties.

Case No.LI/147/Aviva/09

In the matter of Shri Sanjay Kumar

Vs

Aviva Life Insurance Company Limited

AWARD dated 30.06.2010 – Cancellation of the policy

1. This is a complaint filed by Shri Sanjay Kumar (herein after referred to as the complainant) against Aviva Life Insurance Company Limited (herein after referred to as respondent insurance company) stating that the policy documents was not received in time and the company has been approached time and again for giving the policy document.

2. It has been submitted by the complainant that the policy documents as are claimed to have been dispatched by the company on 04.11.2008 was not received by him. The complainant has approached the Insurance Company on 18.11.2008 and enquired about the policy documents. It has been verbally submitted during the course of hearing by the brother of the complainant that on enquiry it was informed to the complainant that policy documents were returned back and lying in some other office and the same will be dispatched shortly. However, contacting them time and again, the insurance company had dispatched policy documents which were received on 06.02.2009. Since complainant was not satisfied with the terms and conditions of the policy, he had applied for cancellation of the same on 16.02.2009 within free look period but the insurance company did not accept the request of the complainant for cancellation of the policy.

3. It has been submitted by the representative of the Insurance Company that contents of the policy were thoroughly conveyed to the complainant and the policy documents were duly dispatched on 04.11.2008 and service was done through Airex courier Airway vide Bill No.576504859 on 05.11.2008 at the address given. However, on the request of the complainant, the insurance company as a process and being customer centric cancelled

4. The original policy number and despatched him policy documents again on 05.02.2009 vide Overnite Courier Airway Bill No.503375231 by creating in lieu policy No.LBD2256446 despite the fact that the policy documents were already delivered to policyholder's correspondence address on 05.11.2008. The Insurance Company further stated that the policy documents again delivered at the correspondence address of the policy holder on 06.02.2009.

5. The representative of the Insurance Company further stated that the complainant had not exercised his right to reconsider the option to cancel the policy within free look period of 15 days; therefore, his request for cancellation of the policy was

not entertained. The representative further argued that the Insurance Company had rightly exercised its right to reject the claim by abiding the contract in compliance of Terms and Conditions of the policy.

6. After hearing both the parties and after careful consideration of the facts of the case, I observed that the policy documents were not served upon the complainant as stated by the Insurance Company on 05.11.2008 because the company could not furnish any evidence to that effect. It is also proved by the fact that service of original policy documents were cancelled and fresh documents were dispatched to the policy holder which were duly served upon the complainant on 06.02.2009. Therefore, the policy documents were served for the first time on the complainant only on 06.02.2009 and since request for cancellation of the policy was made on 16.02.2009, the same was well within the free look period. The Insurance Company, therefore, was not justified in not accepting the request of the complainant to cancel the policy. As a matter of fact, the complainant has been given the right to reconsider the option to cancel the policy within the free look period by company itself. **Accordingly, it is held that the Insurance Company ought to have accepted the request of the complainant to cancel the policy. It is accordingly directed the insurance company to cancel the policy of the complainant and refund the amount paid by him against the premium under the policy as per norms.**

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

8. Copies of the Award to both the parties.

Case No.LI/151/Aviva/09

In the matter of Shri Mohit Chopra

Vs

Aviva Life Insurance Company Limited

ORDER dated 05.07.2010 - Mis selling of policy

1. This is a complaint filed by Shri Mohit Chopra (hereinafter referred to as the complainant) against the Aviva Life Insurance Company Limited (hereinafter referred to as respondent insurance company) stating that the agent of the company has mis-sold the policy.

2. The complainant has taken a policy No.LLG12351634 from Aviva Life Insurance Company Limited for which yearly premium was Rs.20000/-. He made payment for three years and thereafter he made a request to discontinue the policy and asked for the payment of fund value amounting to Rs.45191/-. He approached the

Insurance Company where he was told that he will be returned only Rs.20000/-. He submitted that he should be given fund value which was about Rs.45191/-. It is submitted by him that he was not given any satisfactory reply by the insurance company.

3. The representative of the Insurance Company has submitted written submissions where no finding was given about the submission that the policy holder be given fund value on discontinuing the policy. However, during the course of hearing, the representative of the Insurance Company submitted that the policy holder can be paid surrender value which may be worked out as per terms and conditions of the policy. It has been stated by her that fund value as requested by the complainant cannot be given. Whatever is to be given on discontinuing the policy after three years will be paid as stipulated in the conditions of the policy. She further stated that in case policy holder wants to discontinue his policy, he has to request for payment of surrender value for which request letter along with prescribed surrender value form has to be submitted with the office of the Insurance company and on receipt of request of surrendering the policy, the payment will be made as per terms and conditions of the policy.

4. I have duly considered the submissions of the policy holder and also his arguments during the course of hearing. I have also gone through the reply of the insurance company and also its representative. After due consideration of the facts of the case, the insurance company is directed to make payment of surrender value to the policy holder as per terms and conditions of the policy within seven days on receipt of the request for Surrender Value Form from Shri Mohit Chopra, life assured under the policy.

5. The complaint is disposed of accordingly.

6. Copies of the Order to both the parties.

Case No.LI/161/Aviva/09

In the matter of Ms.Aparna Chaudhrie

Vs

Aviva Life Insurance Company India Limited

AWARD dated 05.07.2010 - Mis selling of policy

1. This is a complaint filed by Ms.Aparna Choudhrie (hereinafter referred to as the complainant) against the Aviva Life Insurance Company India Limited (hereinafter referred to as respondent insurance company) stating that the

company has not disclosed the charges payable by the policy holder and thereby mis-sold the policy.

2. It has been submitted by the complainant that a policy No.RSG1428497 was taken from Aviva Life Insurance Company India Limited on 05.01.2007 wherein sum assured was Rs.18 Lakhs with annual premium of Rs.3.6 lakh per year with a maturity date of 05.01.2017. This policy was taken through ABN Amro Bank. She had paid premium of Rs.3.6 lakh in January, 2007 and in February, 2008 respectively. It has been submitted by her that when she analyzed the position on 30.01.2009, she found that after allotting units her the NAV correctly for 05.01.2007 and 01.02.2008, the company has been slicing off amounts from her policy on their own by encashing her units allotted earlier to meet with various charges imposed by them which were never disclosed by ABN Amro Bank representative who sold the policy to her. Accordingly, she wrote to the company that she will not be paying third instalment due on 05.01.2009 till the matter is clarified to her satisfaction. It has been her submission that the total units should have been 24645.505 but she has been allotted only 21910.933 thereby making a shortfall of 2734.572 units which at current value shows a shortfall of Rs.60000/- to Rs.70000/-.No satisfactory reply was given by the company with regard to such reduction of units. The complainant had requested time and again to clarify the position but it was not done. However, on 06.02.2009, reply was received by her wherein reasons were given by the company for making various charges. She insisted upon the company to restore her units and to make the payment of 3rd instalment only when the units were restored to her. Meanwhile she was requested by the relationship Manager Shri Saurabindu Basu for making the payment of 3rd instalment and he promised to get reversed the wrong entries and amounts deducted restored. Having relied upon the assurance of relationship Manager Shri Saurabindu Basu, she agreed to make payment of 3rd instalment by credit card. Shri Aditya Sharma, advisor/Assistant Sales Manager came to her residence. They have been given credit card impression for taking payment of the third instalment which fell due on 05.01.2009. Request form was also collected by Shri Saurabindu Basu on 18.02.2009 along with declaration and authorization signed by the complainant. However, premium was not collected by the insurer from the credit card mandate/ECS of the policy holder. Sufficient balance continued to remain deposited with the bank from where the amount of premium was supposed to be collected by the insurer by credit card mandate. However, the same was not collected. Ultimately payment of third instalment was made by the policy holder as the policy holder was interested in continuance of the policy. It has been submitted by the policy holder that it was only the fault of the insurer not to collect the third instalment as per the arrangement done between the policy holder and the insurer. Policy holder is in no way defaulter in making the payment of third instalment. The policy holder requested vide her letter dated 29.07.2009 as under:

(i) The company should debit no charges like premium allocation, policy administration, initial management and mortality etc. to her account as has been done by Aviva.

(ii) The company be directed to restore the Units encashed by them and appropriated from 05.01.2007 up to now and to rectify the calculation error as her total units, prior to 07.01.2009 should be 24645.505 and not 21910.929 stated by company.

(iii) To deem the payment of 3rd premium due on 05.01.2009 as having been paid on 12.02.2009 the day their representative took the instruments of payment for the 3rd premium amount of Rs.3,60,000/- and issue her units based on the NAV prevailing on that date.

(iv) To award costs of Rs.25000/- plus damages for mental strain and harassment in chasing a non-issue created by Aviva for their own ulterior and malicious motives, by not encashing valid and complete instruments of payment taken on 12.02.2009 which by all cannons of commercial behavior, were a "deemed payment". Punitive damages of Rs.3 lakh may also kindly be awarded as the undersigned a retired father of a young working girl, had to run pillar to post, and go through all the strains and stresses of writing numerous letters and chasing various officials of the agent bank and the company.

3. Detailed reply was received on behalf of the company. It has been submitted that the policy holder was made aware about the terms and conditions of the policy while issuing the policy. It has been submitted that the policy holder did not make the payment on time in respect of third instalment which was due on 05.01.2009. Such payment was also not paid within the grace period and policy issued lapsed on 10.02.2009. The father of the policy holder approached the insurer and requested for reinstatement of the policy. It has been submitted that the company has sold the policy after explaining all the terms and conditions of the policy and had acted with due care and diligence and also in accordance with the standard terms and conditions of the policy in all while dealing with the policy holder. The policy holder had entered into a contract of insurance with the insurer in complete cognizance of standard terms and conditions.

   During the course of hearing the representative of the company was asked to state as to whether the company will be able to treat the payment of third instalment on the date when impression of credit card was given along with the mandate, that is, on 12.02.2009 as against actual payment and allot the units due on 12.02.2009. She confirmed that, "I will take the issue of backdated NAV issuance with premium payment to my higher authorities and will inform within one week with their decision to Hon'ble Ombudsman." No written reply has been received. However on telephone it was conveyed by the representative of the company that insurer declined to accede to the request of the policy holder.

4. I have very carefully considered the detailed submissions as made by the policy holder and also the verbal submissions made by the father of the policy holder during the course of hearing. I have also considered the written submissions as placed before me by the insurer and also verbal arguments made by the representative of the company on the date of hearing.

   After due consideration of all the matter, I hold that it is not possible to accede to the request of the policy holder as desired by her in her complaint letter dated 29.07.2009 at page 6, last paragraph, point 1 & 2. As regard Point No.3 of her request, the same appears to be appropriate. Admittedly policy holder agreed to make the payment of third instalment on 12.02.2009 and for this purpose had given credit card mandate and impression to release a sum of Rs.3.6 lakh from her bank account. Why the insurer had not accepted the third instalment as agreed between the policy holder and the company is not known. No convincing reasons have been advanced on behalf of the company for not accepting the third instalment of premium as agreed upon between both the parties during the during the course of hearing also. **Accordingly, it is considered appropriate to direct the company to treat the payment of third instalment of Rs.3.6 lakh on 12.02.2009. The policy holder is deemed to have made payment of third instalment on 12.02.2009 the date when credit card mandate was given by her to release the amount of Rs.3.6 lakh out of her bank account which had sufficient balance on such dates. The insurance company is also directed to issue units accordingly on the date of 12.02.2009. As regards Point No.4 of the complainant's request to award costs of Rs.25000/- plus damages for mental strain and harassment, the same is not acceptable because Point No.3 of her request has been acceded to that would compensate the policy holder for any likely harassment caused to her. Accordingly I direct the company to accept the payment of 3rd instalment of premium on 12.02.2009 as against actual amount paid thereafter and to allot the units accordingly.**

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

6. Copies of the Award to both the parties.

Case No.LI/201/Bajaj/09

In the matter of Shri Charanjit Kumar Gulati

Vs

Bajaj Allianz Life Insurance Company India Limited

AWARD dated 14.07.2010 - Mis selling of policy

1. This is a complaint filed by Shri Charanjit Kumar Gulati (hereinafter referred to as the complainant) against Bajaj Allianz Life Insurance Company Limited

(hereinafter referred to as respondent insurance company) stating that the agent of the company has missold the policies.

2. The complainant stated that he along with his wife had taken two policies for Rs.2.50,000/- each from Standard Chartered Bank, Pitam Pura Branch, New Delhi in July, 2008. It has been stated by the complainant that while enticing them to take the above policies. Bank officer Shri Gaurav Bhatnagar promised them that the policies will be 'Single Payment' policy with a lock-in period of 3 years and give very high returns of more than 20% per annum and they can encash the total amount after three years. At that time, they were not shown any details about the policies. They had gone out of station on 31.07.2008 and the policies could not deliver to them as stated by the company. The policies were received on 20.07.2009 after coming back to Delhi and he lodged a complaint to the company on 26.07.2009, that is to say, within free look period of 15 days and requested the company to cancel the policies. It was submitted by him that they were shocked to note that the policies mentioned frequency of payment as annual instead of single premium payment. The policies are for 5 years instead of full encashment after three years. This is a clear case of cheating. It was submitted by him that he and his wife are senior citizens of 63 & 61 of age respectively and they cannot afford to make payment to Rs.5,00,000/-every year for the policies under reference. It has been submitted by him that Shri Gaurav Bhatnagar had cheated them by not giving any document or details about the policies. It has been stated by him that he did not talk to any staff of the insurer at the end of July, 2008 as he was outside the country. He has requested to cancel the policies. Since he had made request for cancellation within the free look period of 15 days. He could know the contents of the policies only when the same have been received by him after return to India. He came to India on 20.07.2009 and came to know about the contents of the policy documents and thereafter on 26.07.2009, he made request to the company to cancel the policies and refund the amount of premium paid by him and his wife.

   During the course of hearing also, the complainant vehemently argued that he had made the request for cancellation of the policies within the free look period as he was outside the country for almost a year along with his wife and when he came to know of the contents of the policies, he had requested the company to cancel the policies which was well within the free look period. He has stated that he had not met the officers of the company because he was out of country. The complainant further stated that he had only signed the proposal at the place given but he did not fill other columns as required. Such columns were filled up by other person.

3. On behalf of the insurer, a written submission was obtained which was placed on record. It has been stated therein that allegation made by the complainant are baseless and are denied. Allegations are being made to support his case for cancellation of the policies and getting the refund of premium which cannot be permitted as the same is against the principle of insurance. The above mentioned two policies were issued by the company to the complainant in accordance with

proposal form duly filled by the complainant. These policies were dispatched to him through Speed Post and delivered on 30.07.2008 and 31.07.2008 respectively. The request of the complainant to cancel the policies could not be entertained because request was not made within the free look period of 15 days. On behalf of the company, it was requested to dismiss the complaint of the complainant because the request to cancel the policies was not made within free look period and the complainant had enjoyed the benefit of policies meanwhile. The sum & substance of the arguments as placed before me and also during the course of hearing by its representative had been that the request for cancellation of the policy was not made within the free look period by the policy holders. Therefore, the insurance company's decision not to cancel the policies and not to refund the premium paid was as per terms and conditions of the policies.

4. I have considered the submissions of the complainant as made in writing and also during the course of hearing. I have also duly considered the written submissions of the insurer and also the verbal arguments as made by its representative during the course of hearing. After due consideration of the matter, I hold that the insurance company was not justified in not cancelling the policies as requested by the policy holders because such requests were made within the free look period of 15 days as is evident from the passport of the policy holders, the complainant along with his wife were away from the country and they returned to India in the last week of July, 2009. There is no evidence on record to suggest that the policy holders were knowing the contents of the policy documents. Admittedly the policy documents dispatched by the company were not received personally by the policy holders though these were delivered at the address given. Until and unless policy documents are received by the policy holders and contents of the same are gone through, policy holders cannot exercise the right to cancel the policies. Policy holders received the policy documents only on 20.07.2009 and they had requested the company to cancel the policies on 26.07.2009. The company is expected to deliver only the product in respect of which the policy holders are convinced at the time of signing proposals. Policy holders are senior citizens and are to be believed in their version that they have been cheated by the company in so much so that they intended to take single premium policies for three years lock in period whereas they were dispatched policy documents wherein they were required to pay premium annually and the terms was made for 5 years. There is also some logic in the statement of the policy holders that they cannot pay premium of Rs.5,00,000/- each for the policy term of 5 years, as they are senior citizens. Accordingly it appears to be a case of mis-selling also. **Therefore, I direct the company to cancel the policies as requested by policy holders and refund the premiums paid immediately as per norms of the company in respect of both the policies.**

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

6. Copies of the Award to both the parties.

Case No.LI- Kotak/159/09

In the matter of Shri Mohan Lal Sharma

Vs

Kotak Mahindra Old Mutual Life Insurance Company Limited

AWARD dated 20.07.2010 – Mis selling of Policy

1. This is a complaint filed by Shri Mohan Lal Sharma (herein after referred to as the complainant) against the decision of Kotak Mahindra Old Mutual Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for misselling the policies committing fraud.

2. Complainant submitted that 11 policies were taken by him in his name and in the name of his family members wife and son and had paid total premium of Rs.17,92,879/- on such policies. It has been submitted by him that such policies were given to him and to his family members on the assurance that payments will be made only one year. He was also assured by one Mr. Sanjay Rishi, Sales Manager, with mobile no: 9211659988 that on such policies return will be 15% interest. He came to know later on that premium paid by him and his family members were invested in share market. He submitted that his signatures were not there on illustrations. He was shocked to know when told that premiums on all 11 policies had to be paid annually. He contacted the sales Manager Mr. Sanjay Rishi who told him again that he was not required to pay further premium as he was getting call from the office to deposit annual premiums, he did not believe and he had gone to the Branch Office and met Mr. Dhawan, Branch Manager with mobile no.: 9811547776 who apprised him that he has to pay premiums for 3 years. He also told him that you must have gone through the bonds in front of the Sales Manager. He was assured by the office of the Insurance Company not to pay further premium and approval will be taken, but nothing had happened. He also made complaint to Mr. Shekhar Bhandari, National Head with mobile no.: 09324255506, but that also did not help him. It has been stated by him that he had received money from LIC of India and given to the Insurance Company and he did not have any money to invest more i.e. he stated that he cannot pay premium on these policies annually as he does not have that much source of income.

3. During the course of hearing, he submitted that he did not have source of income out of which he could pay the huge premium of Rs.17,92,879/- annually, he is a farmer. He wants his money back. It has been submitted by him that the policies have been mis-sold to him and he had taken the policies alongwith his family members under the impression that he had to pay only once.

4. During the course of hearing, the representative of the Insurance Company was specifically told as to how the Insurance Company was convinced at the time of giving the policy with regard to the source of income out of which premium @ Rs.17,92,879/- will be paid by him on such policies. No reply was submitted on behalf of the Insurance Company earlier on the complaint of the complainant. On behalf of the insurer later on some certificates from the CA was placed on record which mentioned the estimated income of the complainant for the assessment year 2004-05,05-06 & 06-07 as under by the Chartered Accountant:-

Period of estimate	Rs.
2004-05	**2,75,000/-**
2005-06	**2,75,000/-**
2006-07	**3,00,000/-**

The statement of Assets & Liabilities was also placed on record wherein asset value of the share of the property in Village was shown as Rs.4 Crores, deposit in bank was also shown as Rs.70 Lacs. But such documents are totally unauthenticated as to how the figure of 4 crore is arrived in not supported. There is no proof of deposit of Rs.70 Lacs in the Bank.

5. Similarly the complainant was also required by this office to state as to how he had paid first premiums of these 11 policies. He had given the details of source of amount out of which first premiums were paid. He has given the details of the policies sold which are as under:

Policy Number	Date of Surrender	Amount Received
330725770	13.03.2008	127593.00
330827743	13.03.2008	100102.00
331121717	13.03.2008	69691.00
330121173	13.03.2008	154520.00
330120930	13.03.2008	154520.00
33121716	13.03.2008	69691.00
331121725	13.03.2008	69691.00
330730069	13.06.2006	725000.00

111010339	28.08.2005	159600.00
110382777	25.05.2003	141300.00
Total		**17,71,708.00**

6. I have very carefully considered the submissions of the complainant that he alongwith his family members were mis-sold the policies. I have also considered the verbal submissions made by the representative of the Insurance Company and I have also considered the evidence as placed before me by the insurer in support of the directions from this office with regard to source of income out of which annual premium of Rs.17,92,879/- could be paid. After due consideration of the matter I find that there appears to be truth in the submissions of the complainant that the policies to the complainant and to family members were mis-sold by the Insurance Company. The policies were taken by the complainant in his name and in the name of his family members out of that funds received from LIC of India for various policies by way of Maturity claim/Surrender. No reliable evidence is placed on record by the insurer that while issuing policies, how the insurer was convinced with regard to payment of annual premium of Rs.17,92,879/-. Complainant is a farmer, it appears beyond his capacity to make payment of Rs.17,92,879/- annually on such policies. There appears to be sufficient reasons to believe that complainant was given false promises by the insurer with regard to return @ 15% annually. Complainant was also made to believe that he had to make investment only once on such policies. So in my considered view, it is a clear cut case of mis-selling. **Accordingly I direct the Insurance Company to cancel the policies taken by the complainant in his name and in the name of other family members and to refund the amount of premium received as per norms.**

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

8. Copies of the Award to both the parties.

Case No.LI- Tata AIG/215/09

In the matter of Shri Devender Kumar

Vs

Tata AIG Life Insurance Company Limited

AWARD dated 19.07.2010 - Wrongly issuing the policy

1. This is a complaint filed by Mr. Devender Kumar (herein after referred to as the complainant) against the decision of Tata AIG Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for wrongly issuing the policy.

2. Complainant submitted that he did not ask for any policy from the insurer. As a matter of fact some agent of some insurance company met him but he did not request the agent to take policy of the present insurer. It is further submitted by him that the premium on the policy was wrongly and frequently received by using his credit card. Though the Insurance Company had cancelled his policy and cheque was issued of the refundable amount of Rs.24946/- but there was some mistake in the name written on the cheque and it could not be presented to the bank and the cheque was returned by the bank on account of payment stopped by drawer. It has been argued by him that he made the request to cancel the policy on 16.11.2008 and so far he could not receive refundable amount till date. He also desired some action against the person who got issued policy and who get the premium in the manner mentioned above.

3. On behalf of the Company, written submission was received. During the course of hearing also the representative of the Insurance Company also stated that it is a fact that cheque of refundable amount was issued 5 times, but payment was not received by the complainant. No necessary action was taken specifically as to how the unsolicited policy was issued to the policy holder and the manner by which the premium was recovered from the policy holder. However, the policy was cancelled by the insurer and there is no dispute in making payment of refundable amount of Rs.24946/-.

4. I have considered the submissions of the policy holder as made by him personally. I have also seen the written submissions of the insurer and also the verbal submission made by the representative of the Insurance Company. After due consideration of the matter, I hold that the insurer was not justified in issuing the policy with the manner as described above and recovering premium amount. It had fairly cancelled the policy. It had delayed in making payment of refundable amount to policy holder. Admittedly, despite number of cheques issued in favour of the policy holder, but the refundable amount had not reached so far to the complainant and all along it remained with the Insurance Company. Since it is a case where unsolicited policy was issued and in ordinate delay in making payment of refundable amount, **I hereby direct the Insurance Company/ Insurer to refund the amount of Rs.24946/- along with penal interest w.e.f. 01.12.2008 to the date of actual payment @ 8%.**

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

6. Copies of the Award to both the parties.

Case No.LI- Aviva/217/09

In the matter of Dr. Yash Pal Singh

Vs

Aviva Life Insurance Company Limited

AWARD dated 19.07.2010 – Mis selling of policy

1. This is a complaint filed by Dr. Yash Pal Singh (herein after referred to as the complainant) against the decision of Aviva Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for misseling.

2. Complainant submitted that Shri Vijay Pratap Singh and Shri Aslam Khan had approached him for taking the policy. It has been submitted by the complainant that he along with his wife intended to invest a sum of Rs.3 Lacs (2Lacs in his case and 1 Lac in case of his wife). The agents Shri Vijay Pratap Singh and Shri Aslam Khangave the impression to the policy holders that they had to deposit premium only once i.e. the policy was supposed to be single premium policy. However, on receipt of the policy documents he along with his wife found that the policy was of 5 years term and he was expected to pay premium annually for the term of the policy. He was surprised to find these conditions which were never intended because he always intended to take single premium policy along with his wife. Therefore he contacted Shri Vijay Pratap Singh on phone who now occupies a senior post in the Company that he promised something whereas he was given a policy wherein he is required to pay premium annually. It is submitted by him that Shri Vijay Pratap Singh assured him to make a corrections as desired by him. Whereas his request was acceded to but without providing any resolution to his basic complaint of converting the policy into single premium plan. As result thereof, whereas he was expecting to treat the policy as a single premium policy, his policy was converted to paid up mode and an amount of Rs.36596/- and 25069/- totaling to Rs.65665/- were charged as a penalty. It has been argued by him that since from the beginning they intended to take single premium policy and it is a fault of the Insurance
   Company particularly Shri Vijay Pratap Singh and Shri Aslam Khan to give him policy and his wife wherein he was required to pay a premium annually of Rs.2Lacs and Rs. 1Lac respectively. The insurer was not justified to charge heavy penalty, because as a matter of fact, the Insurance Company had corrected its own mistake by making necessary corrections as desired by the policy holder, therefore, charging of heavy penalty was not justified. It has been requested by him and his wife to credit this amount in their policy account. Of course he was agreeable to the other charges for converting the policy to paid- up mode to change them to onetime payment plan. It was argued by him further, it was beyond his capacity to make annual premium of Rs.2Lacs and 1 Lac in case of his wife, due to the limited source of income and he is retired Senior citizen also. It has been submitted by him that he has been misguided and it was a misseling of

policy, which caused him lot of mental agony and distress and from huge financial losses.

3. On behalf of the Insurance Company, detailed reply was received. During the course of hearing, the representative of the Insurance Company also attended the hearing. It has been submitted on behalf of the Insurance Company that the policy holders were made fully aware about the terms and conditions of the policy. As well as policy holders requested to make corrections in their policy, the same was done. However, as per terms and conditions of the policy charges were appropriated. There is no provision in the policy to convert the policy into single premium policy without applying paid up penalty charges. It has been submitted by the representative of the Insurance Company that there was no mis-selling and there was no cheating on the part of the persons who approached the policy holders for taking the policy, otherwise with same terms and conditions, second policy would not have been taken after a period of 3 months in the name of his wife.

4. I have very carefully considered the detailed submissions of the policy holders and also verbal arguments made during the course of hearing, that it was a case of cheating and misselling product and they have not been given the policy which were promised at the time of taking policy, due to which a lot of harassment besides financial losses he had to suffer. I have also gone through the detailed reply given by the Insurance Company and also the verbal arguments made by the representative of the Insurance Company. After due consideration of the matter, I hold that it appears a case of misselling because there were no reasons of hiding any truth by the policy holders who are advanced in age, retired persons and rich in experience. One tends to believe the words spoken by the policy holders when he says that he was assured that he will be issued a single premium policy whereas later on came to know that the policy documents intended otherwise. So it appears to be a case of mis-selling and not conveying the terms and conditions of the
policy which was assured to him. I am reasonably satisfied that there was no justification in charging heavy penalty on the policy by converting them into single premium paid policy which infact the policy holder wanted to take and persons who approached him for taking such policies made him realize that he will get one. As a matter of fact, the Insurance Company had made corrections of its own mistake by converting the policy into single premium policy; therefore charging of heavy amount was not justified. **Accordingly I direct the Insurance Company, to treat the policy as a single premium policy since its inception in both the cases.**

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

6. Copies of the Award to both the parties.

<u>Case No.LI- Kotak/197/09</u>

In the matter of Shri Chittaranjan Bose

Vs

Kotak Mahindra Old Mutual Life Insurance Company Limited

AWARD dated 14.07.2010 - Cancellation of policy

1. This is a complaint filed by Shri Chittaranjan Bose (herein after referred to as the complainant) against the decision of Kotak Mahindra Old Mutual Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for non cancellation of policy.

2. Complainant submitted that he had applied for cancellation of the policy within free look period on 04.06.2009, but the Insurance Company had not acted upon his request. It is submitted by him that he had received a policy document on 02.06.2009 and made a request for cancellation of policy on 04.06.2009 which was well within a free look period. It is submitted by him that somebody from the insurer had approached him and tried to pursue him to withdraw his request for cancellation of the policy. On persuasion of the officer of the Insurance Company he withdrew his request for cancellation of the policy but since he was not desiring to continue his policy he again wrote to the Insurance Company to cancel the policy that too within free look period on 15.06.2009.

3. It has been reported by the Insurance Company that complainant had approached the Insurance Company within free look period on 04.06.2009 for cancellation, but such request was later on withdrawn by the complainant himself vide his own hand written letter dated 11.06.2009. During the course of hearing it was submitted by the representative that the Insurance Company was in the process of cancelling the policy as per the request of the policy holder as a request was made within free look period, but since meanwhile policy holder withdrew such request for cancelation vide his hand written letter dated 11.06.2009, the Insurance Company did not take any decision to cancel the policy in the belief that the policy holder desired to continue the policy. During the course of hearing, the representative of the Insurance Company was required to state as to whether any provisions exist in the policy document which may authorize a policy holder to reconsider its earlier request for cancellation of the policy within free look period. The representative of the Insurance Company was not very specific in giving such reply; he only submitted that since policy holder himself withdrew his request for cancellation of the policy, the Insurance Company did not proceed with the request of the policy holder made earlier to cancel the policy.

4. I have carefully considered the submissions of the policy holder. I have also gone through the written submissions of the Insurance Company and also heard very

carefully the verbal arguments of the Insurance Company as made during the course of hearing. After due consideration of the matter, I hold that Insurance Company was not justified in not canceling the policy of the policy holder as request to do so was made within free look period. Though the policy holder wrote a letter on 11.06.2009 for continuation of the policy, but it did not have any meaning so far as the Insurance Company is concerned because, no provision exist in the policy document whereby the policy holder may withdraw his request once made to cancel the policy within free look period. Once request is made by the policy holder to cancel the policy within free look period, in my considered view insurer/Insurance Company has to act upon such request. In this case infact policy holder again wrote on 15.06.2009 to the Insurance Company requesting therein to cancel the policy. I therefore hold that insurer was not justified in not cancelling the policy as per the request of the policy holder made within the free look period. **I accordingly direct the Insurance Company to cancel the policy of the policy holder and refund the premium paid as per the norms immediately.**

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

6 Copies of the Award to both the parties.

Case No.LI-DL-II/152/09

In the matter of Shri Ashok Kr. Saxena

Vs

Life Insurance Corporation of India

ORDER dated 14.07.2010 - Non-payment of full annuity value

1. Shri Ashok Kr. Saxena has made a complaint to this Forum on 22.07.2009, against LIC of India, D.O-II, regarding non-payment of full annuity value under policy no. 121911304. The complaint was fixed for hearing on 06.07.2010.

2. At the time of hearing complainant Shri Ashok Kr,. Saxena was present and the Insurance Company was represented by Mr. J.P. Arya, Manager (CRM).

3. During the course of hearing it has been informed by the representative of the Insurance Company that they will settle the complaint of the complainant within 7 days, to which the complainant agreed.

4. On 14.07.2010, it has been informed by the Insurance Company representative that they have settled the complaint of the complainant vide cheque no. 299114

dated 13.07.2010 for Rs.13712/- and the same has been handed over to the Life Assured's son.

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

6. Hence the complaint is disposed of.

7. Copies of the Order to both the parties.

Case No.LI- Kotak/216/09

In the matter of Ms. Geeta Grover

Vs

Kotak Mahindra Old Mutual Life Insurance Company Limited

AWARD dated 19.07.2010 - Cancellation of policy

1. This is a complaint filed by Ms. Geeta Grover (herein after referred to as the complainant) against the decision of Kotak Mahindra Old Mutual Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for non cancellation of policy.

2. Complainant submitted that Mr. Sumit and Mr. Gagan Deep representative of Kotak Mahindra Life Insurance Co. Ltd. Approached her and guaranteed certain benefits. It has been submitted by her that these two persons convinced her that she had to deposit premium @ of Rs.3000/- per month for 3 years thus making a total payment of Rs.108000/- in 3 years in respect of such policy and will get a return of Rs.2,20,000/- after a period of 3 years. She was given to understand that at maturity she would not be liable to pay any tax. It has been submitted by her that she came to know later on that she was given fraudulent impression to receive an amount of Rs.2,20,000/- on such policy and she though she have been cheated by such persons. She had made payment of only two installments i.e. she paid only Rs.6000/- on the policy taken. It has been submitted by her that after receipt of the policy documents, she had to go out for some personal work. Policy documents were issued on 07.05.2009 and the documents were received on 18.05.2009. She had to leave on 19.05.2009 due to personal reasons and returned on 31.05.2009; therefore she could not go through the policy documents. Moreover there was no reason for her to disbelieve Mr. Sumit and Mr. Gagan Deep, representative of the Insurance Company. On the policy document there was no mention of location of branch office of the Insurance Company for cancellation of the policy. She came to know from the friend and other persons that she was not going to receive the return promised by the agents of the Insurance Company, therefore she decided to cancel the policy. It has been argued

by her that delay in making request to the Insurance Company for cancellation of the policy was mainly on account of her stay outside the Delhi due to personal reasons. It is her request that her policy be cancelled and she be refunded a premium amount paid for Rs.6000/-. She had placed on record some jottings of the agents made on letter head of the Insurance Company regarding the amount that the policy holder will get after three years.

3. During the course of hearing, the representative of the Insurance Company stated that since request to cancel the policy was not made within free look period by the policy holder, request of the policy holder is not acceded to. It is also further submitted by the representative that there is no provision under the terms and conditions of the policy to accept the request for cancellation even if the same is made late.

4. I have considered the submissions made by the complainant and I have also considered the verbal submissions made by the representative of the Insurance Company during the course of hearing. After due consideration of the matter I hold that the policy holder was not properly briefed by the agents about the benefits of the policy. She was wrongly given the impression that she would get a sum of Rs.220000/- after 3 years if she deposit a sum of Rs.108000/- in 3 years @ of Rs.3000/- per month for 3 years. Thus it appears to be a case where policy mis-sold. Accordingly, it appears to me a fit case where policy deserves to be cancelled by the Insurance Company. **Accordingly, I direct the Insurance Company to cancel the policy and to refund the amount of premium paid after deduction of charges if any. There appears to be reasonable reason in delay of about 20 days in making request for cancellation of the policy.**

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

6. Copies of the Award to both the parties.

Case No.LI-Aviva/154/09

In the matter of Ms. Poonam Thakur

Vs

Aviva Life Insurance Company Limited

ORDER dated 17.07.2010 - Change of reduction in premium

1. Ms. Poonam Thakur has made a complaint to this Forum on 13.07.2009, against LIC Aviva Life Insurance Co. Ltd., regarding not effecting the change of

reduction in premium as per policy conditions, under policy no.- LSP1690050. The complaint was fixed for hearing on 06.07.2010.

2. At the time of hearing complainant's husband Shri Manikant Thakur was present and the Insurance Company was represented by Ms. Monika K. Salwan, Asstt. Manager- Legal.

3. During the course of hearing it has been informed by the representative of the Insurance Company that Company will reduce the premium of the complainant from Rs.1,00,000/- to Rs.15,000/- subject to the reinstatement of policy and consent letter.
4. On 17.07.2010, the complainant confirmed that she is satisfied with the changes and paid the premium for the year 2008 and 2009 of Rs.30,000/- vide cheque no. 178358.

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

6. Hence the complaint is disposed of.

7. Copies of the Order to both the parties.

Case No.LI-Kotak/237/09

In the matter of Shri S.R. Sankarnarayan

Vs

Kotak Mahindra Old Mutual Life Insurance Company Limited

ORDER dated 29.07.2010 - Non-receipt of policy bond

1. This is a complaint filed by Shri S.R. Sankarnarayan (herein after referred to as the complainant) against the decision of Kotak Mahindra Old Mutual Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for non-receipt of policy bond.

2. The complainant submitted that he did not receive the policy documents till date. He made inquiries with the Insurance Company and came to know that the policy documents have been delivered but the same were received by some other person. He had contacted the office of the Insurance Company but they did not respond.

3. It has been mentioned by the Insurance Company that they had dispatched the policy documents on 19.06.2008 through first flight courier vide ref. no.

B55944012 at the address given by the complainant which was duly received by one Mr. Rajvir. As regards the request for cancellation of the policy, the same was made beyond the free look period. The Insurance Company tried to redress the issue by issuing duplicate policy documents upon completion of certain formalities, but the same were not made by the complainant. Company wrote various letters to the complainant. Complainant approached the Insurance Company again for payment of the premium, but it was rejected as it was not possible as per policy conditions. There is no deficiency in the service of the Insurance Company and the Insurance Company had acted diligently.

4. I have considered the submission of the complainant and also considered the reply of the Insurance Company. After due consideration of the matter, I hold that Insurance Company was justified in not acceding to the request of the complainant to cancel the policy as such request was made much beyond the free look period. As regards his complaint that he did not receive the policy documents, the same can be redressed now. Though the Insurance Company had dispatched the policy documents to him and claimed to have served through courier but the fact remains that the documents were not served upon to the policy holder. **I therefore direct the Insurance Company to issue the policy documents again and dispatch the same to the complainant at his latest address available with the Insurance Company.**

5. Hence the complaint is disposed of.

6. Copies of the Order to both the parties.

Case No.LI/193/DO-II/09

In the matter of Shri Bhopal Singh Vs

Life Insurance Corporation of India

AWARD dated 30.07.2010 – Payment of pension

1. This is a complaint filed by Shri Bhopal Singh (herein after referred to as the complainant) against LIC of India (herein after referred to as respondent insurance company) stating that LIC has not commenced pension payment under the policy.

2. The complainant submitted that he had taken Jeevan Suraksha Pension plan vide policy No.121189786. It has been submitted by him that the policy had vested on 20.04.2009. He had submitted necessary documents on 22.04.2009 as demanded by LIC of India vide letter No.IPP/312/annuity option/122/000013 dated 08.04.2009 but the concerned office has not started making payment. Written

request was made a number of times besides talking on phone but nothing was done. Complainant as well as representative of the LIC of India attended the hearing. There was some confusion about the working of the pension payable. Insurer representative explained that the pension had been reduced as there has been commutation of pension. The commuted value of the pension had already been sent and may be in the process of delivery and that is why the pension had been reduced. The complainant submitted that he had not so far got the commuted value of the pension. He requested that he be allowed interest besides commuted value of the pension. During the course of hearing itself, the representative of LIC of India assured that the cheque for commuted value of the pension would be issued shortly.

The complainant submitted an e-mail wherein he stated that he had received cheque No.600109 dated 16.07.2010 for an amount of Rs.43418/-being the commuted value of the pension and he had got the clarification with regard to monthly pension of Rs.1130/- per month. However, he desired that he is entitled to the interest on the commuted value withheld by LIC of India so far.

3. I have considered the submissions of the complainant and also considered the verbal arguments of the representative of the insurer. **After due consideration of the matter, I hold that LIC of India was not justified in not allowing interest to the policy holder on the commuted value of the pension already released vide cheque dated 16.07.2010. The insurer is hereby directed to pay the penal interest to the policy holder on commuted value of the pension from the date of vesting to the date of payment.**

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

5. Copies of the Award to both the parties.

Case No.LI/229/HDFC/09

In the matter of Shri Vineet Goyal

Vs

HDFC Standard Life Insurance Company Limited

ORDER dated 30.07.2010 – Selling of unsolicited policy by using his forged signatures

1. This is a complaint filed by Shri Vineet Goyal (hereinafter referred to as the complainant) against the HDFC Standard Life Insurance Company Limited (hereinafter referred to as respondent insurance company) stating that the company has sold unsolicited policy by using his forged signatures.

2. The complainant submitted that he had taken a policy No.11648728 on 28.02.2008 from HDFC Standard Life Insurance Company Limited. In order to pay renewal premium of Rs.99,999/-, he had issued a cheque No.226880 to the representative of the Insurance Company designated as financial consultant. He noticed that his policy status was not updated even after payment of renewed premium, but another unsolicited policy No.12810292 was issued in his name. On further investigation, he found that the unsolicited policy was issued in his name by using his forged signatures. Since renewal premium was not deposited against original policy No.11648728 that policy got lapsed. It has been submitted by him that he has been making complaints repeatedly but the same was not resolved. He further submitted that the company had given solution of transferring the money from new policy to old policy but he had lost his confidence in the company and wanted to sever all ties with the company because they had proven themselves to be untrustworthy as it has issued a policy which was not proposed by him and under his forged signatures. He requested to cancel his previous policy and demanded his money back along with damages.

3. The Insurance Company requested the complainant with reference to his letter dated 24.06.2009 wherein the complainant stated that he was incorrectly sold the policy No.12810292.
   The company has regretted to have issued new policy to the complainant against renewal premium. The company had agreed to cancel this new policy and requested the complainant to submit the original policy documents. The insurance company assured him vide letter dated 27.07.2009 that it will cancel the policy No.12810292. During the course of hearing also similar submissions were repeated. The representative of the company stated that the new policy could be cancelled after the production of the original policy documents.

4. I have considered the submissions of the complainant in this regard. I have also perused the company's letters dated 27.07.2009 and 11.12.2009. I find that there has been mistake on the part of the company by issuing unsolicited policy to the complainant. Obviously when the complainant did not demand this new policy but the same was issued; it means that the complainant was justified in stating that his signatures were forged on the proposal form on the basis of which the policy No.12810292 was issued. Such mistake on the part of the company by issuing unsolicited policy and adjusting the renewal premium against the new policy which was unsolicited would definitely erode the faith of the complainant in the insurer. However, the request of the complainant to cancel both the policies and sever all ties with the company is not acceptable. It would be suffice if the insurance company adjusts the amount of cheque No.226880 against renewal

premium of the policy No.11648728. The company is further directed to cancel the new policy No.12810292 which was unsolicited by the complainant immediately. Accordingly the complaint of the complainant stands disposed of.

5. Copies of the Order to both the parties.

Case No.LI-HDFC/259/10

In the matter of Ms. Rajni Kukreja

Vs

HDFC Standard Life Insurance Company Limited

ORDER dated 02.08.2010 - Non-cancellation of policy

1. Ms. Rajni Kukreja has made a complaint to this Forum on 07.06.2010, against HDFC Standard Life Insurance Co. Ltd., regarding non-cancellation of policy under policy no. 13166023.

2. On intervention of this office, now we have been informed by HDFC Standard Life Insurance Co. Ltd vide their letter dated 21.07.2010 that they have cancelled the policy and refunded an amount of Rs.50,000/- vide cheque no. 203387 dated 13.07.2010 drawn on HDFC Bank to Ms. Rajni Kukreja. Complainant has also confirmed the receipt of cheque

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

4. The complaint is disposed of accordingly.

5. Copies of the Order to both the parties.

Case No.LI-Bajaj/247/09

In the matter of Shri Pramod Kumar

Vs

Bajaj Allianz Life Insurance Company Limited

AWARD dated 02.08.2010 - Wrong allocation of funds

1. This is a complaint filed by Shri Pramod Kumar (herein after referred to as the complainant) against the decision of Bajaj Allianz Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for wrong allocation of funds.

2. The complainant submitted that he had given a proposal form; Accordingly life insurance policy was issued to him by the Insurance Company, policy no. being 0024444405 with date of commencement 23.09.2006. He had applied for the balanced fund whereas the Insurance Company had invested it in the Equity Funds. It was submitted by him that he never applied for investing his funds in Equity Fund. As a result of application of funds in Equity, this fund got depleted on account of market fluctuations. He had requested the Insurance Company but the Insurance Company did not reply. He had made payment for 3 years, he got reply from the Insurance Company somewhere in September 2009 stating therein that because of IRDA restrictions on Fund of Funds, the balance fund was closed in the month of June, 2006. The Insurance Company had falsely stated that it had requested him to switch out funds from balance fund, whereas fact remains that he had never applied for change of fund. He had clearly opted for balance fund and the same is mentioned very clearly in the proposal form submitted by him. It is his argument that the Insurance Company should have returned his proposal form, in case the balance funds were closed by the IRDA. The Insurance Company was not justified in allotting to him the Equity fund which he never applied for. He had requested to this Forum to direct the Insurance Company to transfer his policy in balance funds only and if the said scheme is not available then close his policy and return the amount paid by him along with interest. During the course of hearing complainant was required to state as to how he had continued to pay the premium when he was not satisfied about the policy and when he was sure that he was not allotted the policy which he had demanded. He stated that he continued to deposit the premium for 3 years as he genuinely felt that, he would not get anything if he had paid only first premium. Atleast he will be able to get some reasonable amount if he paid atleast 3 years.

3. The Insurance Company had submitted a reply on 15.01.2010 wherein it has been stated that the policy holder himself opted for “New Unit Gain” with a regular mode & frequency selected as yearly, which is a market linked policy and the value of the policy is dependent on the unit prices. After investigation it was found that Balancer Fund was a funds as mentioned in the policy document. Due to IRDA restriction on Fund of Funds, the Insurance Company had closed the same in the month of June 2006. The Insurance Company stated that it had sent a communication in this regard in the year 2006 that they are closing the balancer fund as instructed by IRDA and requested to switch out funds from the balancer fund. However, it has been admitted by the Insurance Company that they did not received any consent from the policy holder. The amount was aito switched to Equity Growth Fund. During the course of hearing, the Insurance Company representative was required to state as to whether the Insurance Company will be able to give the policy holder, policy as per proposal retrospectively. The Insurance Company representative stated that the desired fund discontinued under IRDA directions in the month of June 2006 itself and the policy was taken as per the Proposal in July 2006, it is not possible to issue desired policy to the policy holder.

4. I have very carefully considered the submission of the complainant as given in writing and also verbal arguments made during the hearing. I have also pursued carefully the reply given by the Insurance Company and also heard the representative during the course of hearing. After due consideration of the matter I hold that the Insurance Company was not justified in issuing the policy under Equity Growth Fund because the same was not applied for by the policy holder. The policy holder had filled the proposal form for issuance of policy under Balancer Fund. If the policy applied for by the policy holder was not in existence, the Insurance Company could have not issued the policy at all on its own. There was no unity of minds between the policy holder and the Insurance Company because policy holder was not allotted the policy which he demanded as per the proposal form fill in by him. If this is the case then the contract between the policy holder and the Insurance Company is not enforceable and void abinitio. **Accordingly I direct the Insurance Company to make refund of the entire amount received by the Insurance Company from the policy holder.**

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

6. Copies of the Award to both the parties.

Case No.LI/257/Max New York/09

In the matter of Shri Mohd.Naeem

Vs

Max New York Life Insurance Company Limited

AWARD dated 16.08.2010 – Cancellation of the policy

1. This is a complaint filed by Shri Mohd.Naeem (herein after referred to as the complainant) against the Max New York Life Insurance Company Limited (herein after referred to as respondent insurance company) stating that the company had not cancelled the policy within the free-look period.

2. The complainant submitted that he had taken a policy No.439636135 – Life Maker Unit Linked Investment Plan - from Max New York Life Insurance Company Limited. It is submitted by him that he had requested for cancellation of the policy in free look period but the company had conveyed him that it was unable to proceed with his request. It was submitted by him that it is a case of misselling also. Nobody in the company bothers to send him all relevant documents so that he could get exemption under Section 80 C of the Income Tax Act and the company had deducted a considerable amount from the premium paid by him. The company had not given proper reply to the requests made several

times. Finally he had met with Shri Sandip Gupta. After lot of communication and meetings he agreed to refund the money and asked for a week time. During the course of hearing, it came to notice that whereas the company stated the policy holder has been dispatched policy documents at the address given. However the policy holder denies to have received the policy documents.

Thereafter policy holder got duplicate policy documents which were surrendered by the policy holder along with a request for cancellation of the policy and issue of refund. It has been submitted on behalf of the complainant that original policy document was not received by him and he had only received the duplicate policy document and on receipt of which application for cancellation of the policy was submitted. Thus, it was requested by him that policy be cancelled and amount deposited by him be refunded to him. But the company continued to argue that it had dispatched the policy document to him and must have been received by the policy holder and thus the application for cancellation of the policy was beyond the free look period. It was stated by the policy holder that the services of the company are not up to the mark. Therefore he strongly desires to get his policy cancelled and get the refund.

3. Written reply of the company was placed on record. It has been stated on behalf of the company that the policy document was dispatched to the complainant at the address on 24.07.2007 and was delivered to him on 25.07.2007 and therefore, the policy holder's request to cancel the policy made in the first week of September, 2007 was much beyond the free look period and therefore, the company was justified in turning down the request of the complainant. The company stated that the complainant was not justified in stating that he had not received the policy documents in time. During the course of hearing, the company was required to provide evidence to the effect that the policy document was actually served upon the policy holder as stated by the company. It has been stated that documentary evidence cannot placed on record as the courier company do not retain the slips on which addressee has signed as has been received the document. However, POD number has been made available.

4. I have considered the submissions of the complainant and also perused the written reply on behalf of the company placed on record. After due consideration of the matter, I find that no evidence whatsoever has been placed on record on behalf of the company that policy document was actually delivered to the policy holder on 25.07. 2007. However, it is placed on record that duplicate policy document which was received by the policy holder was submitted with the company for cancellation within the free look period.

In the absence of evidence of service of policy document upon the policy holder on 25.07.2007, it can be inferred that the policy document was not actually served upon

the policy holder as stated by the company on 25.07.2007. If it so then the duplicate policy document which was served upon the policy holder and which was submitted with the company for cancellation, the company is bound to consider such request of the policy holder for cancellation of the policy. **Accordingly, I direct the company to cancel the policy of the policy holder and refund the premium paid by him as per norms. It is awarded accordingly.**

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

6. Copies of the Award to both the parties.

Case No.LI-ICICI Pru/226/09

In the matter of Shri Bachchu Singh Chowdhery

Vs

ICICI Prudential Life Insurance Company Limited

AWARD dated 18.08.2010 - Non issuance of premium receipt

1. This is a complaint filed by Shri B.S. Chowdhery (herein after referred to as the complainant) against the decision of ICICI Prudential Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for non issuance of premium receipt.

2. The complainant submitted that he had subscribed to ICICI Prudential Life Insurance Co. Ltd. policy no. 08034994 in the financial year 2007-2008. He paid first premium by cheque amounting to Rs.45000/- and the same was handed over to person who had been deputed by the Insurance Company to carry out the documentation. The gentleman introduced as Shri Chauhan to him. Subsequently later on he came to know that the Insurance Company had authorized Mr. Rakibu Uddin Ahmed for this particular job. When the annual premium became due for the next financial year, he went to the ICICI Company office in Dwarka and had given a letter dated 26.03.2009. He did not get any reply from the Insurance Company, therefore he sent a reminder on 04.07.2009 but same was not responded to him. It is his complaint that he had not been given receipt for the annual premium paid as he needed that receipt to present to the Income Tax department. His complaint is that the Insurance Company's officers did not have proper regard for the customers and are not prompt in solving their problems. The insurance Company's officials remain busy in getting business and continued to phone him. He has mentioned that service provided to the customers is deficient in many ways. It has been mentioned by him that the hired agents of the Insurance Company continued to telephoning day in and day out to him to buy

their policies despite the fact that they have been informed that he already had one policy earlier but still he is being constantly telephoned. He feels harassed by this behavior of the Insurance company official being a senior citizen. However, he had not so far received his receipt for the premium paid. He desired a direction from this forum to the insurance company to stop this kind of crude marketing practice. As a matter of fact he already written to the competent authority to intervene and initiate proper action against the Insurance Company. However, he desired suitable monetary compensation for the omission and commission on the part of the Insurance Company to him. He requested compensation for:

a. Non issue of receipt for the premium deposit sending repeated letters.
b. Harassment of a senior citizen on cell phone and telephone by the agents.
c. Poor customer service by misguiding the innocent investors.

3. Written reply have been received from the Insurance Company stating therein that there is no merit in the complaint of the complainant and the same does not deserve any consideration from this forum.

4. I have considered the submissions of the complainant. I have also perused the written reply given by the Insurance Company. After due consideration of the matter I consider it appropriate to direct the Insurer to **supply immediately the receipt of the premium deposited by the complainant. As regards remaining issues such as deficiency in service and improper behavior towards the customers etc., are beyond the purview of this forum. However, observations of the policy holder are not misplaced which definitely requires attention for better business ethics.**

5. Copies of the Award to both the parties.

Case No.LI-Relaince/166 & 167/09

In the matter of Shri Hakumat Singh &

Smt. Charanjit Kaur

Vs

Reliance Life Insurance Company Limited

AWARD dated 18.08.2010 - Mis-selling of policy

1. This is a complaint filed by Shri Hakumat Singh & Smt. Charanjit Kaur (herein after referred to as the complainant) against the decision of Reliance Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for mis-selling of policy.

2. The complainant Shri Hakumat Singh submitted that Shri Vinay Kumar, Marketing Manager of the insurance Company sent Shri Vijay Kumar at his

residence on 27.01.2009 to explain him the Money Guarantee Plan. He found the plan to be good and accordingly he handed over the cheque of Rs.1 Lac dated 28.01.2009 to such person who approached him. He was given the impression that scheme is for limited period for Senior citizens and it will expire on 31.01.2009. Thus the agent requested him to take the policy immediately. It was explained to him further that if he invests Rs.1 Lac every year for 3 years then he will get a sum of Rs.387111/- as maturity amount on completion of 3 years. Shri Vijay Kumar had taken his passport size photo, photocopy of PAN card and photocopy of passport as ID/Residence proof. Similar documents were taken from his Son-in-law Shri Kuljeet Singh saying that complainant would be a proposer and Shri Kuljeet Singh can be a policy holder because the complainant cannot get the policy as he was 75 years of age. However, after 3 years he would get a sum of Rs.387111/-. Therefore he agreed to take the policy. He had signed the blank proposal form as Shri Vijay Kumar promised him to fill the form at his own. However, he was supplied the policy namely Reliance Super Invest Assure Plan whereas he was intended to take money guarantee plan, in fact discussion took place only with regard to that policy. The term of plan given was 15 years whereas complainant was told that on completion of 3 years he would get the amount as mentioned earlier. Insurance company had shown 5 lacs as sum assured and installment paid yearly on 13th February every year. When he received the documents he found that his name as a proposer is missing on the document and Shri Kuljeet Singh his son-in-law has been mentioned in the policy as policy holder as well as proposer whereas he paid an amount of Rs. 1 Lac from his bank account and he signed the proposal. It has been submitted by him that it is a case of Unfair Trade Practice and his case has been handled with bad intentions by the Insurance Company. The Senior Citizen has been harassed and his confidence betrayed by the employee/ agent of the company. Inspite of the e-mails and repetitive reminders, he did not get any positive response from the Insurance Company. During the course of hearing it has been submitted by him that since he had been given a policy which he never demanded and the Insurance Company had cheated him in the sense that he signed as a proposer in the proposal form whereas on the policy document his son-in-law's name appears in both as a proposer as well as policy holder, he desired to cancel the policy. This is a case of mis-selling of the policy. He was given a policy which was quite different from the one he was promised.

3. It has been stated by him further that a complaint on similar line has also been filed by his wife Smt. Charanjit Kaur but stated that insurance company agreed to Money Guarantee plan but with a rider that effective date of plan was changed from 11.02.2009 to 09.07.2009 as such the change is not accepted to her because the Insurance Company was at fault in giving a plan which he never desired. It has been stated by him that Insurance Company be directed in her case to make effective date for money guarantee plan as 11.02.2009 and benefit of growth is to given to her from that date. She will not be required to pay charges for 2nd installment of the premium by fixing the date 11.02.2010. She had not paid the premium so far but now she would pay the premium.

4. Written submission were placed on record by the Insurance company, however, its representative did not turn up on the date of hearing on 23.07.2010 though the hearing was adjourned to 23.07.2010 as the representative declined. The representative had attended the office on 09.07.2010 when the grievance of the complainant was discussed with him and representative demanded some time to resolve the issue but not attended the hearing on 23.07.2010.

5. I have very carefully considered the submission of the complainant. I have also perused the written submissions of the Insurance Company placed on record and discussion held with the representative on 09.07.2010. After due consideration of the matter I hold that the Insurance Company was not justified in issuing a policy to the complainant which he never demanded. He was given a policy known as reliance super Invest Assure Plan whereas he demanded Money Guarantee Plan. Proposal form clearly speaks that the proposal was the complainant himself whereas policy document clearly speaks that proposer as well as the policy holder was the same person Shri Kuljeet Singh.Thus this has been a case of mis-selling and this appears to be a fit case; wherein the request of the complainant to cancel the policy is to be acceded to. **Accordingly, I direct the Insurance Company to cancel the policy given to the policy holder and refund the premium to the complainant as per norms. The Insurance Company is further directed to make the effective date for Money Guarantee Plan as 11.02.2009 instead of 09.07.2009 in case of Smt. Charanjeet Kaur under policy no. 08383364. The Insurance Company is further directed not to charge any interest while receiving the payment of the 2nd installment of the premium due on 11.02.2010. Needless to mention that the benefit of the growth, if any, will be from the date of commencement of the policy i.e. 11.02.2009.**

6. Copies of the Award to both the parties.

Case No.LI-DL-I/236/09

In the matter of Shri Sudhir Kumar

Vs

Life Insurance Corporation of India

AWARD dated 30.08.2010 – Payment of interest

1. Shri Sudhir Kumar has made a complaint to this Forum on 05.10.2009, against LIC of India, D.O.- I, regarding Death Claim under policy no. 111162404 & 111159608. The complaint was fixed for hearing on 29.07.2010.

2. Meanwhile it has been informed by the Insurance Company that it had issued a cheque no. 354127 dated 28.07.2010 for Rs.105395/- and cheque no. 354125 dated 28.07.2010

for Rs.97320/- drawn on Corporation Bank towards the claim amount for Policy no. 111159608 and 111162404. .

3. Complainant Shri Sudhir Kumar requested this forum to direct the insurance company to pay interest for delayed period as the payment is made after 1 year and 8 months. Therefore, it is directed that insurance company will pay interest @8% for the delayed period to the complainant. It is awarded accordingly

4. Copies of the Award to both the parties.

Case No.LI-HDFC/62/10

In the matter of Shri Tajinder Singh

Vs

ING Vysya Life Insurance Company Limited

AWARD dated 30.08.2010 - Cancellation of policy

1. Shri Tajinder Singh has made a complaint to this Forum on 10.02.2010, against ING Vysya Life Insurance Co. Ltd., relating to no. 01770361.

2. On intervention by this office, now we have been informed by ING Vysya Life Insurance Co. Ltd that it had cancelled the policy and refunded an amount of Rs.50,000/- vide cheque no. 841433 dated 05.03.2010 drawn on ING Vysya Bank Ltd., Bangalore. Complainant has also confirmed the receipt of cheque on phone.

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

4. The complaint is disposed of accordingly.

5. Copies of the Award to both the parties.

Case No.LI-HDFC/261/10

In the matter of Shri Amit Garg

Vs

HDFC Standard Life Insurance Company Limited

AWARD dated 31.08.2010 - Reduction in term of policy

1. Shri Amit Garg has made a complaint to this Forum on 03.06.2010, against HDFC Standard Life Insurance Co. Ltd., regarding reduction in term of policy under policy no. 12719529.

2. On intervention of this office, now we have been informed by HDFC Standard Life Insurance Co. Ltd that they have revised the annual premium from Rs.2,00,000/- to Rs.10,000/- under policy no. 12719529. The same has been confirmed by the complainant Shri Amit Garg and he also stated that his complaint stands resolved.

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

4. The complaint is disposed of accordingly.

5. Copies of the Award to both the parties.

Case No.LI-AJ/190/09

In the matter of Shri Mukesh Kumar

Vs

Life Insurance Corporation of India

AWARD dated 01.09.2010 - Accidental claim under Health Plus policy

1. This is a complaint filed by Shri Mukesh Kumar (herein after referred to as the complainant) against LIC of India (herein after referred to as respondent insurance company) stating that the insurer had not settled his accidental claim under Health Plus policy.

2. The complainant stated that he had taken Health Plus policy No.502029693 from LIC of India on 11.02.2008. He met with an accident on 08.10.2008 and had got the treatment at Shanti Ved Imaging and Research Centre, Agra. During the operation, a steel rod was fitted in his leg. He had submitted detailed bills for reimbursement to LIC of India, Hanumangarh Branch. He was informed about the registration of the claim. He stated that he had not received the letter rejecting the claim and requested that his claim may kindly be got settled.

3. During the course of hearing, representative of the company attended and the policy holder was represented by his brothers. The representative of LIC stated that for want of requisite documents, the claim could not be settled. He assured however, that on receipt of requisite documents from the policy holder, the claim will be settled as per terms and conditions of the policy. However, during the course of hearing, the brothers of the policy holder stated that whatever documents were requested for settling the claim, the same were placed on record.

4. I have considered the submissions of the complainant very carefully and have also perused the documents placed on behalf of the insurer. After due consideration of the matter, it is held that the treatment under taken by the policy holder does not fall within the ambit of benefits available to the life assured as per Clause 2(1) of the policy because the policy holder met with an accident and a steel rod was

inserted in his leg and it was not a case of requiring total replacement of hip or knee joint following accident or amputation of arm or hand or foot or leg due to trauma or accident. However, the policy holder is entitled to hospital cash benefit as given in the policy condition which reads as under:

"In the event of Accidental Bodily Injury or Sickness first occurring or manifesting itself after the Date of Cover Commencement and during the Cover Period and causing an Insured's Hospitalization to exceed a continuous period of 48 hours within the policy period, then, subject to the terms and conditions, waiting period and exclusions of the policy, the daily benefit is payable by the Corporation."

Subject to waiting period which reads as under:

"There shall be a waiting period of 180 (one hundred and eighty) days from the date of Cover commencement and of 90 (Ninty) days from the Date of Revival/Reinstatement of cover in respect of each insured, if the policy is revived or reinstated after discontinuance of the cover, during which no hospital cash benefit and no major surgical benefit shall be payable in the event of hospitalization or surgery, if the said hospitalization or surgery occurred due to sickness."

Accordingly Award is passed with the direction to LIC of India to make the payment to the policy holder for hospital cash benefit as his admission due to accident stands already confirmed by the documents received and placed on record.

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

6. Copies of the Award to both the parties.

Case No.LI/286/Max/09

In the matter of Smt. Pushpa

Vs

Max New York Life Insurance Company

AWARD dated 06.09.2010 - Cancellation of the policy

1. This is a complaint filed by Smt.Pusha (herein after referred to as the complainant) against Max New York Life Insurance Company (herein after referred to as respondent insurance company) in respect of rejecting the request for cancellation of the policy.

2. The complainant submitted that she had taken a policy No.735381311 from Max New York Life Insurance Company Limited. On making enquiry about her policy, the company informs her that she would be getting policy within 7 days. She checked the status on the internet also. The complainant further stated that the policy was received by her on 16.07.2009 and that too when her brother went to Courier Company himself to receive the policy. She did not understand the terms and conditions of the policy and deposited the same with BO, Pali for cancellation within free look period, that is, on 25.07.2009. She had thereafter written a number of letters but her request for cancellation has not been acceded to by the company. She further stated that the policy document under reference was not received by her in time as asserted by the insurance company. She received the policy on 16.07.2009 and deposited the same for cancellation with the company within the free look period.

3. Reply has not been received from the insurance company despite the fact that this office had written to the Manager (Legal) for submission of reply. On the date of hearing also, the insurer was also not represented by any officer. Under the facts and circumstances of the case, the case is being decided on the basis of facts on record.

4. Enough facts have been placed on record on behalf of the complainant that the policy document was received by her on 16.07.2009 and she had exercised her right to cancel the policy within the free look period and had deposited the policy document with the Branch Office at Pali of the insurer on 25.07.2009. Since the complainant had exercised her right to cancel the policy within the free look period, the insurer is duty bound to accept such request. **Accordingly, the insurer is hereby directed to cancel the policy as requested by the policy holder and refund the premium paid by her as per norms.**

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

6. Copies of the Award to both the parties.

Case No.LI/156/TATA AIG/09

In the matter of Shri G.L.Sharma

Vs

TATA AIG Life Insurance Company India Limited

AWARD dated 06.09.2010 - Cancellation of the policy

1. This is a complaint filed by Shri G.L.Sharma (hereinafter referred to as the complainant) against the TATA AIG Life Insurance Company India Limited

(hereinafter referred to as respondent insurance company) in respect of cancellation of policy.

2. The complainant submitted that he had paid premium of Rs.15000/- on 25.03.2008 vide proposal form No.0002166971 but he had not received the policy document so far. Since he had not received the policy till 30.03.2009, he requested the company on 30.03.2009 to refund his money. In response to such request, the company had returned him a sum of Rs.8972/- and in respect of balance amount it was stated by the company that the balance amount was deducted on account of expenses. He reiterated that he was not delivered the policy documents then why any expenses was deducted while refunding only a sum of Rs.8972/- out of premium of Rs.15000/-. He had approached the Grievance cell of the company but he was not given any reply.

3. In response to letter of this forum, the company replied that the policy has been cancelled under free look period and refund cheque No.427477 dated 28.04.2009 amounting to Rs.8648.48 was handed over to Shri G.L.Sharma to his satisfaction. Neither the insurance company nor the complainant was represented on the date of hearing.

4. I have very carefully considered the contents of the complaint of the complainant. I have also perused the letters placed on record on behalf of the insurance company. After due consideration of the matter, I hold that the insurance company was not justified in refunding only a sum of Rs.8972/- out of premium amount of Rs.15000/- because the complainant was not issued a policy document despite the receipt of premium. The company had admitted in writing that request for cancellation of the policy was made within the free look period. It had not stated anything about issue of policy documents to the policy holder. When the policy document was not issued, the same was not received by the policy holder and under such circumstances; the insurer was not justified in deducting any amount. A considerable amount was deducted by the insurance company as only a sum of Rs.8972/- was refunded as against a premium of Rs.15000/- received by it. The request of the complainant appears to be reasonable. When policy document was not issued, there was no justification for making any deduction out of premium receipt. **Accordingly Award is passed with the direction to the company to further refund a sum of Rs.6028/- being balance amount immediately to the policy holder.**

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

6. Copies of the Award to both the parties.

Case No.LI/267/Bharti Axa/09

In the matter of Shri Manish Jain

Vs

Bharti Axa Life Insurance Company Limited

AWARD dated 13.09.2010 - Non-receipt of policy document

1. This is a complaint filed by Shri Manish Jain (herein after referred to as the complainant) against the Bharti Axa Life Insurance Company Limited (herein after referred to as respondent insurance company) in respect of non-receipt of policy document.

2. The complainant submitted that he had not so far received the policy documents. He stated that the company's statement that policy documents have been served on him at the address given is not correct. He had submitted a number of complaints to the customer care but of no use. The Insurance Company stated that somebody known as Chaman had received the policy documents. There is no person named Chaman residing at his residence. Therefore, the company's statement that the policy has been served upon him through some person is nothing but mis-statement of facts. During the course of hearing, it was stated by complainant that so far policy documents have not been served upon him. A letter produced by the representative of the company in support of the argument of the company that such document was served upon him, when such letter was closely seen, it was found that the document was sent at the wrong address by courier. It has been certified by the Blue Dart Express Limited by whom it is stated by the company that the policy document had been served that the document was received by Shri Chaman at the address and such address is B4/85, Sector 75. Rohini, Delhi-110085. It came to my notice that there is no Sectot 75 in Rohini. As a matter of fact, the correct address of the policy holder is B-4/85, Sector 7, Rohini, Delhi-110085. Therefore, it has been proved by the complainant at the time of hearing before the representative of the company that policy document has been sent at wrong address and obviously it was served on the wrong person.

3. On behalf of the company, it has been stated time and again that policy document had been dispatched and delivered through courier which was doing efficient service.

4. I have considered the submissions of the complainant very carefully. I have also perused various letters placed on record on behalf of the company and also the verbal arguments of both the parties during the course of hearing on 11.08.2010. After perusing the facts on record and having considered the arguments of the complainant, I find that the policy document was not actually served upon the policy holder. As a matter of fact, a certificate given by Courier Company vide its letter dated 28.08.2009, the policy document has been sent on wrong address. There is no Sector 75 sector at Rohini, Delhi as mentioned by Courier Company on shipment. The document was sent at wrong address. Therefore, policy holder is correct in saying that the policy document

was never served upon him or any person known to him. **Accordingly I direct the insurer to dispatch the policy document at the correct address, that is, B-4/85, Sector 7, Rohini, Delhi-110085. The complaint is disposed of accordingly.**

5. Copies of the Award to both the parties.

Case No.LI-Bharti/56/10

In the matter of Ms. Shipra Sharma

Vs

Bharti Axa Life Insurance Company Limited

AWARD dated 29.09.2010 - Non-cancellation of policy

1. Ms. Shipra Sharma has made a complaint to this Forum on 01.02.2010, against Bharti Ax Life Insurance Co. Ltd., regarding under policy no. 500-4437306.

2. On intervention of this office, now we have been informed by Bharti Axa Life Insurance Co. Ltd that it has cancelled the policy and refunded the amount of premium to the complainant Ms. Shipra Sharma.

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

4. The complaint is disposed of accordingly.

5. Copies of the Award to both the parties.

Case No.LI-Bharti/145/10

In the matter of Shri Surender Singh

Vs

Bharti Axa Life Insurance Company Limited

AWARD dated 29.09.2010 – Change of mode of policy

1. Shri Surender Singh has made a complaint to this Forum on 09.04.2010, against Bharti Ax Life Insurance Co. Ltd., regarding changing mode of policy under policy no. 500-3928313.

2. On intervention of this office, now we have been informed by Bharti Axa Life Insurance Co. Ltd that as per the request of the complainant Shri Surender Singh it has issued a new policy (Merit Plus) to the complainant with annual premium of Rs.30000/-

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

4. The complaint is disposed of accordingly.

5. Copies of the Award to both the parties.

Case No.LI-Aviva/258/09

In the matter of Shri Pankaj Jain, Ms. Shilpi Jain, Vidya Bhushan Jain & Kiran Jain

Vs

Aviva Life Insurance Company Limited

AWARD dated 29.09.2010 - Mis-selling of policy

1. This is a complaint filed by Shri Pankaj Jain and his family members (herein after referred to as the complainant) against the decision of Aviva Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for mis-selling of policy and non cancellation of the policy.

2. Complainant submitted that policies no. JSG1812450, RPG1806830, RPG1806829, RSG1806832 & RSG1806835 were given to him and his family members by Centurion Bank of Punjab partner of Aviva life Insurance Co. Ltd. It has been informed by him that the Centurion Bank of Punjab has now been converted into HDFC Bank. He submitted that these policies have been mis-sold to him and his family members. They had given the policies by saying that these are fixed deposit type investment policies and further submitted that amounts paid will be doubled in 3-5 years but it was found that policies were regular premium policy and the policies were not single premium policies. It is further submitted by him that original policies documents were never delivered to the family and duplicate policy documents were sent to them after making a request for issuance of the policy documents. It has been mentioned by him that policy documents were not received by them as stated by the Insurance Company as and when policy documents were received which were the duplicate policy documents, he and his family members had exercised the right to reconsider and requested to cancel the policies well within 15 days of receiving of such documents. But instead of taking action and cancel the policies as desired by him and other family members, the Insurance Company forwarded the cases to their complaint desk. He had requested to this forum for getting the policies cancelled and refunding the amounts.

3. The written submissions were placed on record on behalf of the Insurance Company wherein it has been stated that policy documents were sent at the address given. However, it was admitted that duplicate policy bonds were issued. It was stated during the course of hearing that when duplicate policy documents could be delivered at the address given, the original policy documents must have also been delivered to the policy holder and if it is a case then the policy holders

did not exercise their right within free look period for the cancellation of the policies and therefore, their request could not be acceded to.

4. I have very carefully considered the submissions of the complainant. I have also perused carefully the reply as placed on record on behalf of the Insurance Company. After due consideration of the matter I hold that Insurance Company was not justified in not acceding to the requests of the complainant and other family members for cancellation of the policy because such requests were made within free look period. Admittedly duplicate policy documents were received by the complainant and his family members and requests for cancellation of policies were made within 15 days of the receipt of the duplicate policy documents. There is no positive evidence to the effect that Insurance Company had delivered the original policy documents to the policy holders. Company's arguments are only presumptions that when duplicate policy documents could be delivered at the address given, the original policy documents dispatched at the same address mentioned have also been received by policy holders. However, the fact remains that no evidence has been placed on record on behalf of the Insurance Company that original policy documents were actually delivered to the policy holders. Accordingly, Award is passed with the direction to the Insurance Company to cancel these policies bearing nos. JSG1812450, RPG1806830, RPG1806829, RSG1806832 & RSG1806835 and refund the premiums received as per norms.

5. Copies of the Award to both the parties.

Case No.LI-DL-I/39/10

In the matter of Ms. Parmeet Kaur

Vs

Life Insurance Corporation of India

AWARD dated 29.09.2010 - Non adjustment of double payment

1. This is a complaint filed by Ms. Parmeet Kaur (herein after referred to as the complainant) against the decision of Life Insurance Corporation of India (herein after referred to as respondent Insurance Company) for non adjustment of double payment.

2. Complainant submitted that she had deposited the premium due in the month of May 2005 twice during the year due to lack of communication between her and her father. This was discovered when she received the letter from Janpath Delhi office. She had been approaching LIC of India to adjust the premium against the next due premium but her request was summarily disposed of. She had taken up the matter again in 2007 and she was required to submit an Affidavit which was duly submitted. During the course of hearing it was desired on behalf of the complainant, either the amount be refunded or a same will be adjusted against the next premium due.

3. It is apparent from pursuing of file that premium of Rs.11446 was deposited twice with the LIC of India. I have considered the submissions of the complainant. I have perused the letter of LIC of India from which it becomes crystal clear that premium of Rs.11446/- was deposited twice. **After due consideration of the evidence, the Insurance Company is directed to refund the sum of Rs.11446 to the complainant immediately. The complaint filed by the complainant is disposed of accordingly.**

4. Copies of the Award to both the parties.

Case No.LI-HDFC/59/10

In the matter of Shri Jatinder Nath Pathak

Vs

HDFC Standard Life Insurance Company Limited

AWARD dated 30.09.2010 - Non-cancellation of policy

1. Shri Jatinder Nath Pathak has made a complaint to this Forum on 02.02.2010, against HDFC Standard Life Insurance Co. Ltd., regarding non-cancellation of policy under policy no. 13197560.

2. On intervention of this office, now we have been informed by HDFC Standard Life Insurance Co. Ltd that it had cancelled the policy and refunded an amount of Rs.5,000/- vide cheque no. 638327 dated 10.06.2010 drawn on HDFC Bank to Shri Jatinder Nath Pathak. Complainant has also confirmed the receipt of the same and resolution of his complaint.

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

4. The complaint is disposed of accordingly.

5. Copies of the Award to both the parties.

Case No.LI-ICICI Pru/277/10

In the matter of Shri Ashish Kumar Ahuja

Vs

ICICI Prudential Life Insurance Company Limited

AWARD dated 30.09.2010 - Non enhancement of annual limit of free hospital benefits

1. Shri Ashish Kr. Ahuja has made a complaint to this Forum on 08.07.2010, against ICICI Prudential Life Insurance Co. Ltd., regarding non enhancement of annual limit of free hospital benefits under health Saver Policy, under policy no. 11914136.

2. On intervention of this office, now we have been informed by the complainant Shri Ashish Kr. Ahuja that the Insurance Company had enhanced the annual limit from Rs.5,00,000/- to Rs.10,00,000/- on 20.08.2010 and he has acknowledged that his grievance has been redressed by ICICI Prudential Life Insurance Co. Ltd. and he intends to withdraw his complaint against the Insurance Company.

3. The complaint is disposed of accordingly.

4. Copies of the Award to both the parties.

GUWAHATI

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/001/014/L/10-11/GHY

Ms. Parvis Karim

- Vs -

L.I.C. of India, Goalpara BO under Bongaigaon D.O.

Date of Order : 24.05.2010

Md. Razaul Karim was the insured under the above "Jeevan Anand (With Profits) (With Accident Benefit) Insurance Policy" with the date of commencement on 28.02.2005 for a Sum Assured of Rs.1,00,000/-. While the policy was in force, the Insured sustained injuries in a road traffic accident on 09.10.2008 and since then he was under treatment under several medical authorities and ultimately expired on 17.03.2009. The Complainant, being the nominee under the policy, submitted the claim before the Insurer and it is alleged that the Insurance Company has settled the claim so far as Basic Sum Assured is concerned but rejected the claim for "Accident Benefits".

The Insurer has contended that the deceased died after 158 days of the date of accident that was due to direct consequences of diseases like Diabetes Mellitus, Cirrhosis of Liver

and diseases were not due to direct impact of accident. His immediate cause of death was also due to diseases like Type – 2 DM. Hepatic Coma, Cirrhosis of Liver and Hepatitis – B and was not due to direct impact of accident and accordingly accident benefit was refused.

The Discharge Slip of Solace Hospital, Goalpara discloses that the Insured Md. Razaul Karim was admitted in the Hospital on 09.10.2008 for treatment of acute fracture neck & shaft (L) humerus with Type – 2 DM and the said Hospital referred the Insured to G.M.C.H. while discharging him on the following day. The Discharge Certificate of Popular Nursing Home, Patna also shows that he was treated there after hospitalization from 16.10.2008 to 04.11.2008 and again from 24.12.2008 to 02.01.2009 for sufferings like "Intertrochanteric fracture (Lt) hip & fracture neck of humerus (Lt)". After taking treatment from the said Hospital, the Insured was treated in Apollo Gleneagles Hospital, Kolkata during the period from 14.02.2009 to 09.03.2009 wherein also he was admitted and treated for Fracture Neck humerus (Lt) & Intertrochanteric Fracture (Lt) femur with cut out DHS implant besides treating for Diabetes Mellitus and Chronic Alcoholic Liver disease. The Insured was discharged with advice to continue active toes movement, ankle and knee exercise and follow up at Ortho OPD. In all the above Hospitals although having Type – 2 Diabetes Mellitus, Chronic Alcoholic, Cirrhosis of Liver, Hepatitis – B were diagnosed but basically he appears to have been admitted and treated for Fracture Neck humerus (Lt) & Intertrochanteric Fracture (Lt) femur. These were the injuries sustained by the Insured in the accident on 09.10.2008. The Insured ultimately died on 17.03.2009. The Complainant has produced one certificate in support of her claim regarding the cause of death of the Insured. The certificate issued by Dr. P.K.Das dated 29.03.2009 contained the following :-

"Certified that Mr. Razaul Karim aged 55 years S/o Lt. Maktal Hussain of Nayapara, P.O. & Dist: Goalpara sustained fracture neck left humerus and Intertrochanteric Fracture (Lt) femur on 09.10.2008 following vehicular accident. He underwent several surgeries at Patna and at Kolkata Apollo Gleneagle Hospital. He died on 17.03.2009 due to injuries sustained in the accident."

The representative of the Insurer could not say anything on this certificate who has, of course, admitted that there was no medical opinion procured by them from any other Doctor or medical authority to contradict the opinion expressed by Dr. P.K. Das in his certificate dated 29.03.2009.

It is evident from the certificate issued by Dr. P.K. Das that the cause of death of the Insured was due to injuries sustained in the accident. According to the Complainant also, as stated in her petition dated 01.02.2010, the existence of the above diseases is found only after the accident had taken place and then only he had undergone treatment for the said diseases. Existence of the said diseases prior to inception of the policy is not admitted. Anyway, while treatment for the injuries sustained in the accident was going

on, it was ascertained that he was having Diabetes Mellitus, Chronic Alcoholic, Cirrhosis of Liver, Hepatitis – B etc. That appears to have complicated the treatment for the injuries. The aforesaid diseases appears to be not the cause of death of the Insured. The Insurer has got no document to prove the death of the Insured due to the diseases and dispute the opinion expressed by Dr. P.K. Das, that the Insured died due to injuries sustained in the accident.

In view of the above facts and circumstances, the Insurer is liable to pay the "Accident Benefits" payable under the policy and I find that there is an irregularity in the settlement process. The decision of repudiation of the claim relating to "Accident Benefits" is set-aside. Insurer was directed to make payment of Accident Benefit within 15 days.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/003/024/L/10-11/GHY

Mr. Jagabandhu Biswas

- Vs -

TATA AIG Life Insurance Co. Ltd.

Award date = 04.08.2010

The Complainant is the insured under "Tata AIG Life Health Protector" insurance policy bearing Pol. No. C013286031 with the issuing date on 17.03.2008. It is stated that the Insured was admitted in the Bangalore Institute of Oncology on 09.12.2008 for treatment of "Swelling in right side of neck" which was diagnosed to be "Non Hodgkin's Lymphoma Stage II B for Chemotherapy" and discharged on 10.12.2008. On completion of usual treatments for the said disease, a claim was lodged with the above Insurer under the above policy and it is alleged that the Insurer has repudiated the claim without any justified ground.

During hearing, the Complainant has stated that he had suffered from "Swelling in right side of neck region" and for treatment of such a disease, he was admitted and treated in the Bangalore Institute of Oncology during the period from 09.12.2008 to 10.12.2008. He has produced the Discharge Summary of the Hospital which indicates that the Insured presented himself before that Hospital with "swelling in right side of neck" wherein Biopsy was done and it was diagnosed to be "Non Hodgkin's Lymphoma Stage II B for Chemotherapy". He was admitted there for further management and treatment of the disease. The Discharge Summary further shows that he had received 1st cycle of chemotherapy with R – CHOP regime alongwith adequate IV hydration and supportive care.

According to the Insurer, the claim lodged by the Complainant for the treatment is not payable under the policy. He has submitted that the expenses incurred in connection with treatment, can be reimbursed under the policy provided signs and symptoms of the disease commences more than 180 days following the issue date of the policy. He has produced the policy terms and conditions with the relevant clause wherein the term of "Critical Illnesses" has been defined as follows :-

> "*Critical Illnesses" mean illnesses the signs or symptoms of which first commence more than one eighty (180) days following the Issue date or the Commencement date or the date of any reinstatement of this policy, whichever is the latest, and shall include either the first diagnosis of any of the following illnesses or first performance of any of the covered surgeries*."

According to the representative, "Non Hodgkin's Lymphoma" is cancer of the lymphoid tissue, which includes other organs of the immune system and the "swelling" noticed in the neck, is one of the symptoms for such a disease. He has also submitted that the disease suffered by the Insured and the expenses incurred for the treatment are covered under the policy but the policy conditions under "Critical Illnesses" requires that the signs and symptoms of such a disease shall first commence more than 180 days following the issue date or the commencement date of the policy. Although the disease was diagnosed to be "Non Hodgkin's Lymphoma" but the signs and symptoms were first noticed within 180 days of commencement of the policy when the Insured was required to go for investigation for the Right Submandibular Swelling in the month of April, 2008. The Complainant has also admitted that he had undergone "Lymph Node Surgery" on 06.06.2008 in Tata Referral Hospital at Chabua for such a swelling. The Investigation Report is produced which indicates that the Complainant was required to undergo for "Lymph Node Surgery" when he was suffering from "swelling in the right side of the neck" in the months of April and June, 2008 and such swelling was ultimately diagnosed to be a disease like "Non Hodgkin's Lymphoma". Although the expenses incurred in connection with the treatment of the disease is payable under the policy but due to detection of the signs and symptoms of the disease within 180 days of the policy issuing date, the claim appears to be not payable under the policy. The Insurer has repudiated the claim considering the above policy condition and I see no irregularity in the settlement process. Accordingly, the complaint is treated as closed finding no material to interfere with the decision of the Insurer.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/007/015/L/10-11/GHY

Mrs. Leena Bora

- Vs -

MAX New York Life Insurance Co. Ltd.

Award date = 09.06.2010

Mrs. Leena Bora procured the policy bearing No. 350328886 (Mediclaim Insurance Policy) with the effective date on 23.03.2008. During the policy coverage period, the Insured was hospitalized at Aashlok Nursing Home Pvt. Ltd., New Delhi on 01.11.2009 wherefrom she was discharged on the following day after performing an operation on the Left Knee. On completion of usual treatments, a claim seeking re-imbursement of Rs.58,182/- was lodged and it is alleged that the Insurer has repudiated the claim without any justified ground.

The Insurer has contended that the Complainant was a known case of Hypertension and is on Tab Atenolol for the last two years. Based on Discharge Summary of the Ashlok Nursing Home Pvt. Ltd. the claim of the Complainant was repudiated on grounds of material medical non-disclosure on part of the Complainant at the time of signing the Proposal Form.

During hearing, the Complainant has stated that she was admitted in Aashlok Nursing Home Pvt. Ltd., New Delhi for treatment of “Left sided medial Meniscus tear (left knee)” during the period from 01.11.2009 to 02.11.2009. The repudiation letter dated 28.12.2009 goes to show that the claim has been repudiated as the Insured had the history of HTN since two years which make the condition a pre-existing disease and incomplete disclosure of medical facts. The representative of the Insurer has stated that the Proposer / Insured did not disclose about her sufferings from Hypertension in the Proposal Form when she was asked to state about the said sufferings. It appears that the Insurer has relied on the Discharge Summary of the Aashlok Nursing Home Pvt. Ltd. wherein while recording past history and details of previous hospitalization, the Hospital Authority recorded that she was having “Hypertension on medication since two years”. The statement of the representative is clear enough to prove that excepting the above observation of the Hospital Authority in the Discharge Summary, there is no other report or any document in proof of sufferings and taking treatment for Hypertension by the Insured. The Discharge Summary, of course, did not disclose that she was hospitalized for treatment of Hypertension. Her disease, for which she was admitted, in the Hospital was diagnosed to be “Left sided medial Meniscus tear (left knee)” and operation like “Orthoscopic Excision of torn medial meniscus under SA” was done. The representative of the Insurer has admitted that they have not procured any report or collected any opinion from any other medical authority, in proof of the fact that the operation on the left knee of the Insured was due to Hypertension or complications of Hypertension. Treatment was provided for “Left sided medial Meniscus tear (left knee)” during the period from 01.11.2009 and 02.11.2009 and the Insurer has got no proof, in their

possession, that such treatment was required due to complications of Hypertension. Relying on the Hospital's observation, even if it is believed that she was having Hypertension prior to inception of the policy, but even then there is no proof to show prima-facie that the disease for which she was treated has got relevancy with Hypertension. The repudiation appears to have been done by the Insurer only on presumption of facts. Hence, the decision of repudiation is set-aside. It is felt that the Insurer shall reconsider the matter and they may procure opinion from any expert Orthopedic Surgeon, attached to the reputed Hospitals / Nursing Home for ascertaining the fact whether the disease suffered was complications of Hypertension and in case report is otherwise, the Insurer shall proceed to settle the claim.

The Insurer was directed to complete the process of settlement of the claim afresh on the above lines within 15 days.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 22/001/044/L/10-11/GHY

Mr. Jadav Pathak

- Vs -

L.I.C. of India, G. B.O.-III Under Guwahati D.O.

Award dated : 25.08.2010

Mr. Jadav Pathak procured "LIC's Market Plus Policy" bearing Pol. No. 484296481 with the date of commencement on 07.11.2006 on payment of Single Premium of Rs.10,000/-. Subsequently, the Complainant had approached the Insurer vide letter dated 03.05.2010 for surrendering the policy when he was informed that the policy has been cancelled due to dishonour of the cheque deposited towards the first premium. It is stated by him that while procuring the policy, he paid the premium amount in cash to his Agent (Code No. 01953570) and he has become surprised as to how question of dishonouring the cheque could arise. Feeling aggrieved, the Complainant has approached this Authority for redressal of his grievances.

The Insurer has contended in their "Self Contained Note" that the first premium of Rs.10,000/- under the Single Premium Mode against the policy was paid vide cheque No. 65674 dated 06.11.2006 on Canara Bank which was dishonoured on presentation and hence due to that, the policy stands cancelled.

During hearing, the Complainant has stated that he paid the said premium amount of Rs.10,000/- in cash to his Agent. He has however not procured any acknowledgement from the Agent, on payment of such an amount in cash who subsequently handed over

receipt issued by the Insurer. This receipt was received by the Complainant in time but no objection was raised as to how question of payment of premium amount through cheque has been mentioned therein. The representative of the Insurer has submitted that the premium receipt was issued in the name of the policyholder on receipt of the cheque for the premium amount and when that cheque was dishonoured, the policy was cancelled as per rules. The Insurer appears to have taken the action as per rules when the cheque was dishonoured. Although the Complainant has alleged about making payment of premium in cash but he has failed to produce any document in proof of such payments. He has also not raised any objection when he was informed about making payment of the first premium through cheque. The facts and circumstances proves that the cheque for the 1st premium was dishonoured and consequently, the policy in question was cancelled as per rules.

In view of the above position and finding no irregularity in the matter, the complaint is treated as closed.

KOCHI

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-001-042/2010-11

Sajan Philip

Vs

LIC of India

AWARD DATED 25.05.2010

The complainant had submitted a proposal for a life insurance policy with double accident benefit [DAB/EDB] and deposited an amount of Rs.38,583/- towards the initial quarterly premium. The policy was issued showing the quarterly instalment premium as Rs.38,032/- instead of Rs.38,583/- i.e., without appropriating Rs.551/- towards DAB premium. Rs.551/- was refunded to the complainant. Only after 3 years, during the audit, it was found that though the policy was issued with DAB, no premium was being collected for DAB. Hence the complainant was asked to remit the deficit amount to cover DAB. But the complainant was not willing to remit the same saying that the contract was entered to have the benefit inclusive of DAB and the premium was fixed for that amount and he was not liable to pay any additional premium. Moreover, he urged to refund the entire amount paid as premium with 14% interest and other incidental expenses, as he lost his faith in the insurer.

The insurer submitted that in order to extend DAB, the complainant has to remit the deficit amount. The interest on that amount will not be realized. If it is not paid, he can continue the policy for the basic sum assured [i.e., without DAB]. If it is surrendered, the surrender value alone will be given.

On verification of the proposal form, it is found that an amount of Rs.38,583/- was deposited for premium inclusive of DAB and the final underwriting decision was 'OR/EDB'. From this, it is clear that the underwriting was not only for Ordinary Rate [OR], but also for EDB. EDB represents DAB. In the policy certificate, there is a column for break-up of premium as instalment premium for basic sum assured and instalment premium for DAB. The column for basic sum assured premium is filled as Rs.38,032/- but the DAB column is written as '00'. Hence, it is clear that the proposal was accepted inclusive of DAB benefit, but the policy was issued for ordinary rate without covering DAB. Hence the insurer is entitled to correct the mistake. For correction of mistake, 2 options are given to the complainant viz., [a] he can continue the policy without DAB at the existing premium of Rs.38,032/- or [b] he can continue the policy with DAB by remitting the deficit amount. If he is not prepared to exercise any of these options, he will be at liberty to surrender the policy as provided in the policy conditions. The complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-018/2010-11

A.Thampi

Vs

LIC of India

AWARD DATED 07.06.2010

Inordinate delay occurred in settling maturity claim, since computer records were not available for the policies. The insurer has paid penal interest for the delayed settlement @ 8%, the rate prevailing at the time of settlement of claim. But the complainant demanded 12.5% as interest.

It was held that the rate of interest applicable should be the rate of interest prevailing at the time of maturity and not at the time of settlement of claim. The rate of interest at the time of maturity date was higher i.e., 9%. Hence the complainant is entitled to get interest @ 9%. Hence an award is passed directing the insurer to pay a sum of Rs.12,090.63 towards the deficit 1% interest inclusive of income tax, if any, to be recovered.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-003-044/2010-11

C.J.Jacob

Vs

Tata AIG Life Insurance Co.Ltd.

AWARD DATED 25.06.2010

The complainant, holder of a Health Protection Policy, was admitted in hospital for heart ailment. After investigation, angioplasty was done. The claim raised for heart attack was declined on the ground that heart attack suffered does not meet the criteria for the critical illness benefit of the policy.

As per policy conditions, heart attack is stated as the first occurrence of an acute myocardial infarction where the following conditions are met:

1. history of chest pain
2. the occurrence of typical new acute infarction changes on the electro cardiograph progressing to development of new pathological Q waves and
3. elevation of cardiac troponin [T or I] to atleast 3 times the upper limit of the normal reference range or an elevation in CKMB to at least 200% of the upper limit of the normal reference range.

On scrutiny of medical records submitted, there was no evidence to show that the above conditions are fulfilled. The complainant further stated that the contention of elevation in CKMB to at least 200% is practically impossible for a survived patient. Hence it is clear that the complainant has conceded that the level of CKMB to 200% of normal range was not there. The burden is on the part of the complainant to prove that development of new pathological Q waves was there was the troponin was 3 times above the upper limit of the normal range and elevation of CKMB to at least 200% of the normal range. But those tests were not even conducted. There is absolutely nothing to find that there was heart attack as defined in the policy to extend the coverage. Since it is not established, the complainant is not entitled to the benefit for critical illness. The complaint is, therefore, **DISMISSED.**

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/GI/11-003-006/2010-11

A.Hashim

Vs

National Insurance Co.Ltd.

AWARD DATED 04.06.2010

The complainant had taken a policy with an annual premium of Rs.1,36,000/-. Only initial premium was paid. He filed a complaint stating that he could not continue premium payment after one year and the insurer deducted Rs.4,600/- per month as mortality charges and made a total deduction of Rs.1,52,000/-. He represented the matter to the insurer but no reply was received.

This complaint happened to be entertained as the fact of revival was suppressed in the complaint. In the complaint, it is stated that risk charges were deducted, as if it was while settling the claim under the lapsed policy. But only from the self contained note, it has come out that lapsed policy was revived and claim was never sought to be settled. There is no dispute as to premium paid or payable. Hence there is no dispute of repudiation of claim or premium. This forum can consider the correctness of deduction only in a complaint as to repudiation. The jurisdiction is limited. It is only on matters contemplated in Rule 12 of RPG Rules. Such a dispute is not there. Hence the complaint is **DISMISSED** for want of jurisdiction.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-030/2010-11

M.Felix Leo

Vs

LIC of India

AWARD DATED 23.06.2010

The complainant took a Komal Jeevan policy on the life of his minor son. The proposer was disabled in a road traffic accident. He claimed premium waiver benefit under the policy along with two other policies. But the PWB was declined under Komal Jeevan policy.

PWB mentioned in the policy is *if opted, the payment of premiums falling due after the date of death of the proposer and before the date vesting shall be waived*. Hence the promise is to waive the premium payment on the death of the proposer. There is no clause to waive the premium on the happening of disability. The complaint is **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-050/2010-11

Henry Alex N.A.

Vs

LIC of India

AWARD DATED 12.08.2010

The complainant had taken Asha Deep II policy for a sum assured of Rs.1,00,000/-. The policy lapsed due to non-payment of premium in July 2007 and subsequently revived on 13.05.2008 on the basis of personal statement of health submitted by the complainant. The complainant suffered a paralytic stroke on 25.02.2009 and was admitted in the hospital. The Benefit B under the policy was denied by the insurance company on the ground that the contingency occurred within one year from the date of revival.

As per policy conditions, the Benefit B of the policy schedule is not applicable if any of the contingencies mentioned in Para 11[b] occurs [i] at any time on or after the date on which the risk under the policy is commenced but before expiry of one year reckoned from the date of the policy or [ii] one year from the date of revival

Since the life assured has suffered paralytic stroke on 25.02.2009 and the policy was revived on 13.05.2008, it is established that the contingency occurred within one year from the date of revival. Hence the insurer is justified in denying the Benefit B under the policy. The complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-077/2010-11

K.C.Jacob

Vs

LIC of India

AWARD DATED 21.06.2010

The complainant, holder of an Endowment Policy, states that he has received only Rs.1,81,500/- on maturity as sum assured with accrued bonus, whereas he has paid Rs.1,80,777/- as premium.

On verifying the records, the following facts are revealed. As per policy conditions, if the life assured survives the date of maturity, he is promised to give sum assured and bonus. Here, the sum assured is Rs.1,50,000/- and accrued bonus is Rs.31,500/- and accordingly, he was paid Rs.1,81,500/-. Hence, what is promised by the policy has been paid. The policy is an endowment type. The premium consists of the risk premium and endowment premium. Out of the premium, the risk premium is separated and the balance alone will go to endowment. The consideration for covering the risk is risk premium. That will not be returned. Hence, one cannot expect refund of the entire premium. Moreover, as age increases, the mortality also increases and hence the risk premium also increases. Here the age at entry was 61 years. Similarly, due to adverse health condition, extra premium also was collected. With all these reasons, he happened to pay higher amount as premium. Since he has been paid what is promised under the policy, he is not entitled to get any further sum. Hence the complaint is **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-076/2010-11

K.V.Vasantharajan

Vs

LIC of India

AWARD DATED 23.06.2010

The complainant was issued with Health Plus Unit Linked Policy, which provides hospital cash benefit [HCB] and major surgical benefit [MSB]. He was hospitalized for treatment of ligament tear sustained in an accident. Claim for HCB was settled, but MSB was declined as the surgery performed is not one among the specified surgeries.

As per policy condition, MSB is only for surgeries specified in the surgical benefit annexure. Hence in order to have the benefit, the surgery done must be one included in the annexure. The surgery for which the claim raised was 'Open ACL reconstruction with STG graft Endobutton and Bio-screw, lateral meniscal repair MCL repair, ligamentum patella repair right knee'. The treatment was as to muscular skeletal system. In the annexure, the 39 surgical procedures are specified. Out of it, two procedures alone related to muscular skeletal system. Those are [1] total replacement of hip or knee joint following accident and [2] amputation of arm or hand or foot or leg due to trauma or accident. Here in this case, no such procedure was done. Hence no claim for MSB had arisen. The complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-011-096/2010-11

Kuruvilla George

Vs

ING Vysya Life Insurance Co.Ltd.

AWARD DATED 28.06.2010

The complainant had subscribed Rs.4,99,500/- for a single premium policy, since the agent represented it with a policy of high benefit. But on getting the policy, he found that he had to pay premium for 15 years. The terms were not satisfactory to him. Hence he approached the insurer for free look cancellation. But the insurer declined to cancel the policy and refund the premium.

The insurer submitted a detailed self contained note refuting the allegation, but expressing their willingness to cancel the policy as provided under Regulation 6.

In the result, an award is passed directing the insurer to cancel the policy as provided in Regulation 6[2] of IRDA [Protection of Policyholders' Interest] Regulation 2002 and to make payment thereunder.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-009-084/2010-11

Naveen Ancilo

Vs

Bajaj Allianz Life Insurance Co.Ltd.

AWARD DATED 24.06.2010

The complainant sustained injuries due to an accidental fall and he was admitted in the hospital for treatment. Though a claim for Rs.10,597/- was raised, he was paid only a sum of Rs.2,519/-.

The insurer submitted that the claim was raised for Rs.10,035/- which includes hospital expenses for Rs.30/-, doctor's fee of Rs.9,820/-, Miscellaneous Rs.40/-, investigation Rs.60/- and admission fee of Rs.35/-. Admission fee will not be considered for computation of claim amount. So it worked out at Rs.10,000/-. As per policy conditions, doctor's fee is subject to a maximum limit of 25%of medical expenses, so it was settled for Rs.2,519/-.

The insurer treated Rs.6,850/- spent for Jacket Crown and Rs.60/- spent for X-ray as doctor's fee and thus, limited the claim to Rs.2,500/-. But it is relevant to note that the bill covers doctor's fee of Rs.3,000/- which exceeds 25% of the total expenses. Hence the complainant is entitled to get a further amount of Rs.6,910/- spent for jacket crown and X-ray [Rs.6,850/- + Rs.60/-]. An award

is passed directing the insurer to pay a further sum of Rs.6,910/- together with interest @ 8% since the date of claim till payment and cost of Rs.500/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-009-070/2010-11

P.A.Abdul Salam

Vs

Bajaj Allianz Life Insurance Co.Ltd.

AWARD DATED 24.06.2010

The complainant had taken a Unit Linked policy with mode of premium as annual. Only the initial premium was paid and the 2nd and 3rd annual premiums remain unpaid. The policy was terminated by the insurer and nothing was paid to him. The complainant demanded return of premium.

Hence he has not paid the 2nd and 3rd annual premium, the policy was lapsed. As per policy conditions, the lapsed policy can be revived within 2 years, failing which the policy will be terminated. The fund value as on the date of lapse less the surrender charge would be paid at the end of the 3rd policy year or at the expiry of revival period, whichever is later. The surrender charges would be 100% of the 1st year's annualized allocated premium. Allocation rate for the 1st year is 28.5% of the premium. In the instant case, the first premium was Rs.10,000/- and the allocated amount, therefore, was Rs.2,850/-. According to the insurer, the fund value as on the date of lapse was Rs.1,904/-. Hence nothing is there for refund. The complaint is, therefore, DISMISSED.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-004-016/2010-11

Smt.P.T.Sunitha Kumari

Vs

ICICI Prudential Life Insurance Co.Ltd.

AWARD DATED 31.05.2010

The complaint is as to foreclosure action taken by the insurer consequent to non-payment of subsequent premiums by the policyholder [complainant].

The complainant was issued with a Life Time Super Policy for a term of 10 years with annual regular premium of Rs.18,000/-. After the remittance of initial premium, no further premiums were paid by her. Subsequently, the insurer issued statement of account showing the value of units as on 07.01.2010 as Rs.19,111.03 and issued cheque towards foreclosure amounting to Rs.4,707.75. Aggrieved by this, she filed the complaint.

The insurer contended that though she was given opportunities to revive the policy by paying the arrears of premium, she didn't do so which forced them to take the foreclosure action.

Though she has argued that while proposing for insurance, she was not made aware of the terms and conditions of the policy with regard to foreclosure action, this allegation is denied by the insurer stating that foreclosure clause is clearly mentioned in the terms and conditions of the policy document, though it is not there in the proposal form. The complainant was in receipt of the policy document and she was sleeping over her own right of opting for free look cancellation, if she was not agreeable to any of the conditions mentioned in the policy document.

It is very clear that the premium was paid only once and hence the policy went to a lapsed condition. As it was not revived, foreclosure action was initiated by the insurer and accordingly, taking into account Clause 9 of the policy conditions, surrender value as described in Clause 2.2 was applied and the cheque for Rs.4,707.75 was sent to her [after deducting 75% as surrender charge from the surrender value of Rs.19,111.03, the amount in her credit as on 07.01.2010]. The complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-005-032/2010-11

T.N.Gopi

Vs

HDFC Standard Life Insurance Co.Ltd.

AWARD DATED 15.06.2010

The complainant was issued with a unit linked policy with an annual premium of Rs.25,000/- for 10 years. Only initial premium was paid. The request to cancel the policy was not allowed by the insurer. The complainant stated that he had deposited the amount for his mentally retarded son so that he would get a monthly income to purchase a part of his monthly medicine. He was told that a single remittance alone was necessary. But he was misguided. He is unable to remit Rs.25,000/- every year. Hence the policy should be cancelled and the amount should be returned.

The policy was issued on the basis of signed proposal and it was not cancelled within the freelook period. Hence he will be governed by the policy conditions. As per policy conditions, if the policy was not revived, the unitized fund value on the date of lapse less surrender charge will be paid to the policyholder. The fund value as on the date of lapse is Rs.7,100/-. Hence the complainant is not entitled to get any benefit other than the unitized fund value as on the date of lapse less the surrender charge. This amount is payable only after 3 years of inception. However, the insurer has agreed to reduce the premium to Rs.10,000/- for the year 2009 and 2010 with a reduced sum assured. The complainant has not so far expressed his willingness for the conversion of policy for a lesser sum assured with a premium of Rs.10,000/-. Hence this complaint is **DISMISSED** without prejudice to his right to opt for converting the policy for lesser sum insured and premium as offered by the insurer.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/24-012-033/2010-11

V.Srikanth

Vs

Metlife India Insurance Co.Ltd.

AWARD DATED 27.05.2010

The dispute in this case is against the insurer's action of foreclosing the policy without the complainant's knowledge. The complainant had taken a policy in 2004 for a sum assured of Rs.1,00,000/- with a quarterly premium of Rs.2,557/-. In 2007, he requested for surrendering the policy and the same was acceded to by the insurer. Thereafter, surrender cheque for Rs.11,528/- was issued to him on 06.02.2007, but the same remain unencashed till December 2009. The insurer immediately sent him a notice intimating non-encashment of the cheque. Subsequently, a fresh cheque was issued in January 2010 and the same was encashed by him too.

His case is that since the money was lying with the insurer, he is eligible for interest. Also, he contended that the policy should be reinstated.

The insurer's contention is that the cheque was sent to the complainant but it remained with him for more than 2 years. He also did not bother to raise an issue regarding non-receipt of the surrender value after giving the surrender request. In December 2009, they volunteered to intimate the fact of non-encashment of the amount. Hence they are not at fault.

Since it is clear that the policyholder did not bother to deposit the cheque sent to him against surrender and it was the insurer who intimated him about non-encashment of the cheque, it is only to be believed that the insurer did not lag in their duty. The claim for interest cannot be considered as there is no contract to pay interest on delayed payment, if the insurer is not at fault. Hence the complaint is unsustainable and DISMISSED.

LUCKNOW

MISC 09-10(20.8.2009)

Award No.IOB/LKO/40/001/09-10

Complaint No.L-75/001/09-10

Shri Rishabh Jain ………………. Complainant

V/s

Life Insurance Corporation of India ………… Respondent

Shri Rishabh Jain had lodged a complaint with this Office for unjustified and unilateral reduction of sum assured from ` 250000 to ` 2400000 under Anmol Jeevan Plan (Table No.164) opted by the life assured vide his proposal No.526 dated 15.05.2008 submitted to Agra Division of the respondent company. The complainant alleged that he submitted the proposal form for `2500000 and also tendered the required premium for `2500000 but the respondent issued the policy for ` 2400000. However the respondent stated that the maximum sum assured under the plan is less than ` 2500000 i.e. plan can not be issued for ` 2500000 hence they issued policy for `2400000. The complaint was registered and the insurer was asked to submit detailed comments and copy of policy file.

It was found that there is overwriting in sum assured column. It is important to mention that the policy must be replica of the proposal form submitted and if there is any change, both the parties to the contract must agree to that change. In this case proposal was filled for plan no.164 and it was converted into policy under plan No.164 hence as far as the plan is considered there is no anomaly whereas the sum assured is concerned it is true that the policy should be issued for the amount asked by the life assured and if the asked sum assured is not permissible under the policy this fact should be brought to the knowledge of the assured and then it should be changed with the mutual consent. This procedure was not followed in this case and the sum assured was changed only on the written consent of the agent concerned who has no right to give such consent. The sum assured was changed to ` 2400000 without obtaining proper consent for this change from the life assured. Although it causes no harm to the life assured in monetary terms yet it is against the principal of contract act Which is very basis of all insurance contracts. It is observed that the policy was delivered to the life assured on 29.08.2008

but the assured had not applied for cancellation / correction of the policy within the free look period. Had he applied within the free look period the complaint would have been resolved accordingly but as this period is over and the life assured had availed the benefit of insurance protection during this period, the only course available to him to relinquish the policy by not depositing the premium henceforth or to write the respondent to cancel the policy while deducting the policy issue charges and the proportionate premium for the policy period at the date of cancellation of the policy. The complaint is disposed off as above.

MISC 09-10(3.3.2010)

Award No.IOB/LKO/142/001/09-10

Complaint No.L-369/21/001/09-10

Shri Satpal Bhatia ………………. Complainant

V/s

Bajaj Allianz Life Insurance Co. Ltd. …………. Respondent

This is the complaint filed by Shri Satpal Bhatia against the decision of Bajaj Allianz Life Insurance Co. Ltd. against the less payment made in respect of free look cancellation of his policy no.0056511763 issued by the respondent company. The company refunded only the money deposited by the life assured at the time of cancellation of the policy instead of the fund value of his units stands in his favour.

The assured deposited Rs.12000/- as an investment under capital unit gain but on receiving the policy bond he was not satisfied with the policy. Therefore, he applied for free look cancellation. The respondent cancelled the policy and paid Rs.11936/- after deducting stamp value from the money invested by the life assured.

The main issue is whether the life assured is entitled to the fund value of units at the time of cancellation of policy or money originally invested by him. It is clear from policy bond that the life assured is entitled to receive the first regular premium less the proportionate risk premium for the period the life assured was on cover and the expenses incurred on medical examination and stamp duty charges. The refund of the policy holder will also be reduced by the amount on any reduction in regular premium fund value and top up premium fund value, if any, due to fall in the unit price between that the life assured is also entitled to receive the gain in the unit price between the date

of allocation and redemptions of units. Accordingly the respondent company is liable to pay the difference of fund value of units held at the date of redemption less the amount already paid along with the interest @ 8.5% from the date of payment.

REVIVAL 09-10

Award No.IOB/LKO/32/001/09-10

Complaint No.L-91/21/001/09-10

Smt. Shashi Yadav ………………. **Complainant**

V/s

Life Insurance Corporation of India ………… **Respondent**

This is the complaint filed by Smt. Shashi Yadav against decision of the Sr. Divisional Manager, LIC of India, Lucknow Division under the policy no.212621377 setting aside the revival on the ground of impersonation i.e. the declaration of Good Health dated 20.02.2006 for the revival was not signed by the life assured. It was signed by someone else with ulterior motive.

The respondents submitted the Handwriting Experts report in their support. The hand writing and figure print expert has categorically established on the basis of his expert findings that the signatures on the proposal form are not tallied with that on DGH form submitted at the time of revival of the policy. Section 45 of the Indian Evidence Act 1872 expressly lays down that when an opinion is to be formed on a point as to identify of handwriting the opinion of persons especially skilled such as hand writing and finger Print expert are admissible as evidence.

In the ultimate analysis this forum is irresistibly led to believe that the opinion of the finger print and handwriting expert is worthy of acceptance in terms of section 45 of the Indian Evidence Act 1872. Moreover in the instant case the claim being a very early claim the protection of section 45 of Insurance Act is also available to the insurer. As such the decision of the respondent company in the instant case does not warrant any interference.

SURRENDER VALUE(23.3.2010)

Award No.IOB/LKO/159/013/09-10

Complaint No.L-464/21/006/09-10

Smt. Shiwani Agarwal ……………….. Complainant

V/s

Aviva Life Insurance Co. Ltd. …………. Respondent

This is the complaint filed by Smt. Shiwani Agarwal against the less surrender value paid under the unit linked policy bearing No.NLG1232721 by Aviva Life Insurance Co. Ltd. The complainant has expressed his grievance that even after depositing three full years premium she did not get the amount promised at the time of selling the policy.

The insurer, Aviva Life Insurance Company Ltd. issued a policy for 1260000/- to the above complainant with a yearly premium of 120000. The policy holder paid total premium of 360000 towards the policy. The policy got paid up status due to non payment of premium due in 2009 and the policy holder on 9th June 2009 approached the respondent and enquired for surrender value of the policy thereafter the life assured under the policy applied for the surrender value of the policy on 24.07.2009. The Policy holder signed the surrender request form and inter-alia confirmed that she is ready to accept the surrender value against the entire cancellation of the policy. However the complainant had complained that she has paid 360000 and was repaid `178552/- and thus ` 1,88,478/- was deducted by the respondent company.

It is important to mention here unlike banking fixed deposit instrument the ULIP plans are entirely different money market instrument where there is no guarantee of return on capital. The money deposited by the prospective insured is invested according to the prospectus of the scheme and thereafter the fate of the money is decided by the market forces. The investors invest their money according to their risk appetite and nobody is under fault if the money instead of appreciating falls short of the amount initially invested. It is true that the life assured had invested the money in search of some handsome return but feels cheated when she lost almost half of her investment

but it is the result of her own unwise step to surrender the policy without evaluating the factual position at the time of surrendering the policy for which no body is responsible.

The respondent alleged that the lie assured was fully aware about the surrender value at the time of surrendering the policy and had signed the surrender value request after going through the form. It is important to mention here, the surrender value transaction had already been completed when the life assured accepted and encashed the cheque of surrender value and it is not possible to repen a closed transaction unless it is grossly violative of established rules framed in this regard. In the instant case the complainant is not able to explain on which count the respondent deducted the excess amount in violation to the policy contract. In view of the above observations, this forum is inclined to hold that the respondent co. has declined the claim on justifiable grounds and their decision is therefore upheld.

MUMBAI

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 713 of 2009-2010
Award No.IO/MUM/A/ 040 /2010-2011
Complainant : Ritu Alok Nagar
V/s
Respondent : Life Insurance Corporation of India, Mumbai Division II

In the matter of the above complaint the brief facts of the case are as under:

Smt. Ritu Alok Nagar had taken an Insurance Policy under Bal Vidya Plan (Without Profit) from LIC for her daughter Ms. Akshita whose date of birth was 16.09.1999. The DOC was frp, 28/3/2003 and single premium of Rs.2,57,925 was paid. The SA was Rs.1.00 lakhs.

In the Policy Bond under this Plan the Special Provisions for payments to be made and the event on the happening of which they are to be made under Survival Benefit on the stipulated dates only if both or either of the proposer's survive/s were mentioned as under:

1. 1% of Sum Assured is payable monthly starting from 28.03.2005 ending on 28.03.2009
2. 2% of Sum Assured is payable monthly starting from 28.04.2009 ending on 28.03.2017
3. 4% of Sum Assured is payable monthly starting from 28.04.2017 ending on 28.03.2023

According to the above endorsements, the proposer was receiving 1% of the sum assured i.e Rs.1,000/- monthly, starting from 28.03.2005. The dispute of Smt. Ritu Alok Nagar is that according to the endorsement on the policy bond, she should receive 2% of the sum assured i.e. Rs.2,000/- monthly, from 28.04.2009. However, she states that LIC continues to pay Rs.1,000/- monthly instead of 2% as mentioned in the policy bond. She brought this to the notice of the Branch Office. However, as she still received Rs.1,000/- p.m. she lodged a complaint to this Forum seeking the intervention of the Ombudsman in the matter of her complaint.

We have received a letter dated 03.05.2010 from the Insurer enclosing the company's circular dated 26.12.2005 clarifying the above matters.

According to the circular dated 26.12.2005 it states that "The survival benefits start two years after the date of commencement of the policy or from the policy anniversary at which the child is aged 5 years last birthday whichever is later. The survival benefits will be increased as mentioned in two stages at ages 10 and 18 years which are broadly the cross over ages"

According to the circular the correct due date and the quantum of benefits will be as under:-

The quantum of survival benefit secured by the single premium of Rs.257925/-, provided both or either of the proposers survive on the due dates are:-.

1. Monthly Survival Benefits:

	SB falls due on	First Due Date	Last Due Date	Quantum of Benefits
a	2 yrs. after the Date of Commencement of the policy or from the policy anniversary at which the child is aged 5 yrs last birthday whichever is later. The SB is payable one month in arrears.	28.04.2005	28.03.2010	Rs.1000/- p.m. (1% of SA)
b	The policy anniversary on which the child is 10 yrs last birthday (SB payable 1 month in arrears)	28.04.2010	28.03.2018	Rs.2000/- p.m. (2% of SA)
c	The policy anniversary on which the child is 18 yrs. Last birthday (SB payable 1 month in arrears)	28.04.2018	28.03.2023	Rs.4000/- p.m. (4% of SA)

2. According to the circular the Lump sum Survival Benefit equal to the basic sum assured shall be payable on the policy anniversary at which the child is aged 18 years last birthday i.e. on 28.03.2018 in the instant case. Here the child will complete 18 years on 16.09.2017, however as per the circular the Lumpsum benefit will be paid on the policy anniversary i.e. on 28.03.2018.

Lumpsum Survival Benefit : Rs.100000/- will fall due on 28.03.2018

3. On maturity the basic sum assured together with Guaranteed Addition and loyalty addition, if any, are payable. This will become due on 28.03.2023

It is evident that the Divisional Office of the Insurer keeping the policy conditions and the circulars issued by LIC in view, has correctly calculated the payments of survival benefits due to the proposer. The Insurer admitted their mistake and wrote to the policyholder stating that the due dates of survival benefits were erroneously mentioned on the schedule of the policy bond and it was a bonafide mistake. The mistake LIC committed should have been brought to the notice of the proposer much earlier. However, the proposer cannot take advantage of this mistake committed by the insurer while mentioning the due dates of survival benefit in the policy schedule. Based on the facts of the case, the complaint of Smt. Ritu Alok Nagar is not tenable.