AHMEDABAD

Case No. 21-001-0550-10

Mrs. Madhuben D. Patel V/s.

Life Insurance Corporation of India

Award dated 27-04-2010

Repudiation of Death Claim:

The Respondent had on the basis of certificate of hospital treatment and Discharge summary from the hospital showing past history of the Deceased Life Assured as HTN + D.M+COPD since 4 years, repudiated the claim on the ground of incorrect statement and withholdment of material information with regard to health of DLA at the time of filling up the Proposal Form.

The Complainant stated that DLA had no such pre-existed disease but was hospitalizd because of diarrhea and vomiting caused due to eating 'Barfi' (sweet made from milk) and buttermilk simultaneously which resulted in to food poisoning. The focus was supported by notings in the discharge summary and certificate of hospital treatment.

This forum observed that after 2 years of policy, section 45 of Insurance Act 1938 was operating against the Respondent and Respondent failed to prove fraud as in Part-II of the said section. Moreover there was no nexus between cause of death and alleged past history as DLA was admitted for treatment of food poisoning which was ultimate cause of death.

In the result, complaint succeeds.

BHUBANESWAR

1

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-004-1047

Sri Indu Bhusan Mohapatra Vs. ICICI Prudential Life Ins. Co.Ltd.

Award dated 28th April, 2010

FACT:-

The son of the Complainant had taken one insurance policy from ICICI Prudential Co. Ltd. He was suddenly fell ill and was admitted in the hospital where he died. His father being the nominee under the policy lodged the death claim. But, the insurer has repudiated his death claim on the ground of suppression of material facts as regards health condition of the insured. Also, the insurer disclosed that as the claim was an early claim investigation was done at their level. From the investigation it was revealed that the deceased policyholder has a history of Deep Vein Thrombosis since 2001 and was on medication for the same. The Complainant said that his son (the insured) did not suffer from Deep Vein Thromobosis and further submitted that it is on afterthought of the insurer to avoid to settle the claim.

AWARD:-

The Hon'ble Ombudsman observed that the insurance contract is based on good faith. Both the parties to the contract should have to maintain utmost good faith and honesty. If a party does not maintain this, the other party can avoid the liability. Keeping these legal positions, now it is to be decided whether the repudiation is illegal or justified.

However, while the order was under preparation a communication has been received from the insurer that they have decided to pay the claim and the same has been paid vide cheque. Thus, the case is treated closed as settled.

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BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-006-1069

Smt. Laxmi Sahu Vs. Birla Sun Life Ins. Co. Ltd.

Award dated 22nd April, 2010

FACT:-

The husband of the Complainant had taken one "Gold Plus" policy bearing no-001593774 from the Birla Sun Life Insurance Co. Ltd. for sum assured of Rs.5,00,000/- and unfortunately the he (the life assured) died on 21.05.2008 die to respiratory failure. Being the nominee under the policy, the complainant lodged the

death claim which was repudiated by the insurer on the ground of suppression of material facts regarding the health of the deceased life assured. At hearing, the Complainant was present while the insurer did not attend. But, subsequently on the next date of hearing i.e., on 19.03.2010 filed the Self Contained Note. The insurer submitted that just prior to one month of submission of proposal form , the deceased life assured consulted doctors for his illness and had undergone some pathological test which facts were no mentioned in the Proposal form by answering questions relating to this as "NO".

AWARD:-

The Hon'ble Ombudsman observed that so far as insurance contract is concerned, it is based on utmost good faith and both parties should have adhered to it honestly. If good faith and honesty is not observed by one party the other party may avoid the liability. In this case, the deceased life assured did not disclose the truth while filled up the proposal form under heading medical information by writing "NO" to the said questions. But, he had consulted doctor and had done pathological test just one month prior to the proposal. The deceased life assured was a teacher and it cannot be said that he could not understand the questions. Thus, the omission made amounts to suppression of material facts, which is a valid ground for repudiation.

So, the Hon'ble Ombudsman opined that the repudiation cannot be said to be illegal or unjust or arbitrary due to the valid ground of suppression of material facts as regards the health of the deceased life assured and thus the complaint stands dismissed.

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3

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1070

Smt. Sabita Patra Vs. Life Insurance Corporation of India
(Bhawanipatna BO of Berhampur D.O.)
Award dated 30th April, 2010

FACT:-

The husband of the Complainant had taken a policy bearing no-571543169 from the LICI who died on 03.06.2008. Being the nominee under the policy, the Complainant lodged the death claim which was repudiated by the insurer on the ground of suppression of material facts as regards health of the insured. According to the insurer, the cause of death of the life insured due to Malaria Fever, Arthritis and Diabetes Mellitus which facts were not intimated to it before

commencement of the policy. So, the pre-existing disease has got direct nexus with the cause of death and the omission of early treatment amounts to suppression of material facts which is a valid ground to repudiate the death claim. On the other hand, the complainant submitted that her husband took leave on the medical ground to avoid the work load and there was no suppression of material facts.

AWARD:-

The Hon'ble Ombudsman observed that the policy has been issued to the insured showing the date of commencement as 28.04.2007 though the proposal date was 30.03.2007. While submitting the proposal there is a provision that if any change occurs in the position relating to health, proposer is required to inform the insurer immediately. But, in the case in hand, this was not done. Moreover, the treatment after submission of the proposal and before acceptance, the steps should have been taken to intimate about the treatment and also the premium was not paid fully, the balance premium was deposited later on. At that period, the step could have been taken to intimate the facts on treatment which cannot be said to be accidental omission rather rightly it has been said that it is misrepresentation or suppression of material facts.

However, the Hon'ble Ombudsman opined that considering the status of the deceased policyholder and the sum assured and the circumstances leading to acceptance of contract, in the interest of justice this forum can invoke its jurisdiction to grant ex-gratia amounting to Rs.20,000/- to the Complainant as a special case.

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BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-004-1071

Sri Falguin Behera Vs. ICICI Prudential Life Ins. Co. Ltd.

Award dated 22nd April, 2010

FACT:-

The father of the Complainant had taken a policy bearing no-04916952 from the LICI who died on 06.08.2009 due to Cardio-Respiratory Arrest. The Complainant lodged the death claim which has been repudiated by the insurer on the ground of suppression of material facts as regards health of the insured. According to the insurer, the deceased life assured had undergone treatment of Bronchial asthma and hypertension, diabetes mellitus prior to submission of proposal form. But, this

fact has not disclosed while answering the question no 26(a), 27 (b), 27(e), 27(g) and 27 (h) of the proposal form which amounts to suppression of material facts and the same is a valid ground for repudiation of the claim.

AWARD:-

The Hon'ble Ombudsman observed that there are ample materials to prove that the deceased life assured had undergone treatment prior to submission of the proposal and that fact was not disclosed which nothing but suppression of material facts was. So, the decision to repudiate the claim cannot be said illegal or arbitrary.

As the complainant further submitted that the amount invested may be paid to him with interest, the Hon'ble Ombudsman opined that from the premium amount some amounts are deducted towards service charges, risk premiums etc, and balance is invested. So, the complainant is entitled to get NAV as on date of death of the deceased life assured on the invested amount/units and directed the insurer to pay the fund value as on date of death of the deceased life assured on the invested amount unit to the complainant within one month from the date of receipt of consent letter from the complainant; failing which the insurer is liable to pay interest @18% per annum from the date of order till date of payment.

The case is disposed of accordingly.

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5

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1073

Sri Antarjayami Behera Vs. Life Insurance Corporation of India (Dhenakanal BO of Cuttack D.O.)

Award dated 23rd April, 2010

FACT:-

The Complainant had taken a Children's Money Back Policy bearing no-584453062 from the LICI in the name of his son who expired on 16.03.2009. The complainant lodged the death claim, but the insurer instead of settling the death claim only refunded the amount paid towards premium. According to the insurer, as per the terms and conditions of the policy sum assured cannot be paid but only premium paid can be refunded. But, the complainant has submitted that the insurer has taken a flimsy ground to avoid the payment of death claim

AWARD:-

After gone through the booklet - "Money Back children Assurance Plan – Plan No-113 and the policy terms and conditions, the Hon'ble Ombudsman felt that the insurer has acted as per the terms and conditions of the policy. However, the deduction of extra premium is not in accordance with the provisions.

So, the Hon'ble Ombudsman observed that as per his findings, the insuer is directed to refund the extra premium amount. If part payment has been made, the balance amount be refunded within one month from the date of receipt of consent letter from the complainant.

The case is disposed of accordingly.

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6

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-002-1075

Smt. P. Parbati Reddy Vs. S.B.I. Life Insurance Co. Ltd.

Award dated 23rd April, 2010

FACT:-

The husband Complainant had taken S.B.I. Swadhan Group Insurance Policy bearing no-860000052906 from S.B.I. Life Insurance Co. Ltd. It was a Master Policy and the State Bank of India is the Policyholder. The deceased policyholder died on 01.01.2008/, the complainant being the nominee lodged the death claim. The insurer has repudiated the claim on the ground of suppression of material facts as regards health condition of the deceased life assured. According to insurer, the deceased policyholder submitted "Good Health declaration" in proposal form by stating that he was not hospitalized for treatment or any ailment during last 3 years prior to taking of the policy in question. But, actually, he was hospitalized for treatment of acute liver diseases which fact was suppressed and this amount to suppression of material facts, a valid ground for repudiation of death claim. However, the complainant pleaded that the ground taken by the insurer to repudiate the claim is unjust and arbitrary.

AWARD:-

The Hon'ble Ombudsman observed that from the documents like OPD ticket, Medical Certificate etc. submitted by the Insurer revealed that the deceased policyholder had undergone treatment prior to submission of "Declaration of Good

Health" and this fact was not disclosed by him. Certainly this amounts to suppression of material facts which is valid ground to repudiate the claim as the contract of insurance is based on utmost good faith. If one party does not observe the faith and honesty, the other party is not liable. Also, no materials have been produced on behalf of the complainant to disprove the allegation of the Insurer.

In view of the above, the Hon'ble Ombudsman opined that the decision taken by the insurer to repudiate the death claim is just and proper and hence the Complaint stands dismissed.

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7

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1086

Sri Bijaya Kumar Lenka Vs. Life Insurance Corporation of India (Cuttack BO:III of Cuttack D.O.)

Award dated 20th August, 2010

FACT:-

The Complainant's brother had taken one insurance policy bearing no. 584831328 on 28.12.2002 for Rs.25,000/- sum assured from Life Insurance Corporation of India. The LA expired on 25.8.2009 due to snake bite. Being the nominee, the Complainant had lodged the death claim before the insurer. But in spite of his several letters, the last being on 27.01.2010, the insurer did not settle his (Complaiant's) death claim. Being aggrieved, he approached this forum for redressal of his grievance in way of settlement of death claim in his favour. The insurer in their Self-contained Note stated that though the Complainant, the brother of the deceased life assured was the nominee under the policy, the wife of the deceased life assured filed a civil suit in the Court of Civil Judge and prayed to the Hon'ble Court that to restrain LICI from disbursing the amount covered under the policy and to pay her 2/3rd of the payable amount under the claim. This fact was also intimated by her to its servicing branch. So, the insurer would disburse the amount only after receipt of the final verdict of the Court.

AWARD:-

The Hon'ble Ombudsman observed that the insurer is duty bound to pay the claim amount to the nominee under the policy. In the case on hand, the insured's brother is the nominee. The insured's wife filed a suit in the court praying for decree of 2/3rd of the claim in her favour. The court has not passed any order of injunction. That being so, the insurer cannot withhold the claim amount. It is lawfully payable to the nominee. This order, of course, would not be valid if before payment of the claim amount to the nominee, the court passes any order, interim or final, to the

contrary. This decision, therefore, is subject to the decision, if any, of a competent court. It is needless to say that the insurer would keep a watchful eye on the proceedings of the court before implementing this award.

In the result, the complaint is treated as allowed.

8

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1089

Smt. Sarita Agarwal Vs. Life Insurance Corporation of India (Rairangpur B.O. of Cuttack D.O.)

Award dated 20th August, 2010

FACT:-

The husband of the Complainant had taken one insurance policy bearing no. 586899966 on 28.08.2008 for Rs.6,00,000/- sum assured from Life Insurance Corporation of India who expired on 16.12.2008. The Complainant submitted the death claim to the insurer. But she was surprised to know that the policy was cancelled during cooling off period without the knowledge and consent or the written application of the policy holder. Being aggrieved, she approached this forum for redressal of her grievance.

According to the Insurer, the policy was issued with commencement date as 8.8.2008 but, on 13.8.2008, the life assured had applied for cancellation of the policy after he came to know that he was suffering from cancer. The insurer furnished a photocopy of the letter dated 13.8.2008 of the life assured in which the life assured had stated that his family member would not claim any benefit in future under the said policy. So, they took the cancellation action and refunded the premium. Hence, the death claim was not payable under the policy. Further, the insurer in their letter 9.8.2010 had given details of the refund. They had refunded Rs.9343/- vide their cheque no.890351 dated 6.10.2008. The said cheque was encashed on 18.10.2008.

AWARD:-

The Hon'ble Ombudsman observed that the policyholder had requested the insurer to cancel the policy on 13.8.2008. The reason stated in the application was the deceased life assured's inability to continue the policy as he was afflicted by cancer. The refund cheque was sent on 6.10.2008 which was during the life time of the policyholder and it was also encashed. Therefore, there is no evidence to hold that the insurer had cancelled the policy without the knowledge and consent or written application of the policyholder. On the contrary, the insurer has established that the policy was cancelled by the insurer with the consent of the policyholder and

before his death. So, the request of the complainant for settlement of death claim in favour of the nominee has no merit and.

In the result, the complaint is dismissed.

9

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-005-1102

Smt. Manjurani Agrawal Vs. HDFC Std. Life Ins. Co. Ltd.

Award dated 20th August, 2010

FACT:-

The husband of the Complainant had taken one policy bearing no-10445266 from the HDFC Standard Life Insurance Co. Ltd. on 16.12.2005. After three years (approximately) from the enforcement of the policy, the life assured fell ill and on diagnosis it was found that he was suffering from throat cancer and diabetes. The critical illness claim of the life assured was rejected on the ground that he was suffering from diabetes before enforcement of the policy. Later on, after nine months of operation, the Life assured expired. Being the nominee, the Complainant lodged the death claim, the same was rejected by the insurer on the ground of suppression of material fact of Pre-existing Disease. The complainant contended that the ground for repudiation of the claim by the insurer was not justified. She stated that her husband did not have any health problems while taking the policy and medically examined before taking the policy.

However, according the insurer that after receipt of Critical Illness claim they started processing it. While doing so they obtained a document which showed that the life assured was suffering from diabetes before signing the proposal and therefore the insurer denied the Critical Illness claim and also declared the contract null and void.

AWARD:-

The Hon'ble Ombudsman observed that as contended by the insurer's representative, three doctors in succession noted in different case sheets that the insured was DM ranging from 5 years to many years. Dr Deshpande's report states that the insured was insulin dependent and that he was a smoker. The complainant, wife of the insured, stated that her husband was not a smoker and that he had never taken insulin injection. Her statement appears credible inasmuch as the other doctors have not stated that the insured was insulin dependent nor is there a mention of him as smoker. The blood sugar reports also do not indicate such high levels as to suggest insulin dependency.

The question is reliability of the notings of the doctors which state that the insured was diabetic for many years. They were not the foes of the insured and so ordinarily their statements should be given credence. The doctors have

made a mention that the insured was diabetic. They, however, do not say the drugs that he used for controlling sugar levels. One doctor apparently stated things which were not correct. It, therefore, is possible that they mechanically noted from the jottings of an earlier case sheet and the first case sheet had noted the history incorrectly. Absence of evidence of treatment of diabetes lends some credence to the complainant's argument that the doctors jotted down the history incorrectly. So, the evidence against the insured is at best inconclusive. Also, it is necessary to note that the insured died of throat cancer and not as a complication of diabetes. It also has to be noted that the insured paid premium of Rs.1,80,000/- and there is fund value.

In view of the above, the Hon'ble Ombudsman held that the insurer probably had good reasons to repudiate the claim, the complaint deserves to be considered sympathetically and this is a fit case for grant of ex gratia. Accordingly, he directed the insurer to pay ex gratia of Rs.4 lakhs to the complainant and the complaint is partly allowed.

10

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-007-1125

Sri Dibakar Pradhan Vs. Max New York Life Ins. Co. Ltd.

Award dated 20th August, 2010

FACT:-

The father of the Complainant had taken one insurance policy bearing no – 375948627 from Max New York Life Insurance Co. Ltd. (insurer) with date of commencement as 29.10.2008 for an assured amount Rs.1,32,474/- who expired on 27.7.2009 due to malaria fever at his residence. The death claim which was lodged with the insurer was wrongfully repudiated by it on the ground of suppression of material facts as regards health. The Complainant further stated that the evidence relied upon by the insurer to repudiate the claim was supplied by him only and that evidence did not indicate that his father was suffering from carries spine.

According to the insurer the company issued the policy on 29.10.2008 based on the proposal on the same date. While filling the proposal form, the deceased life assured had not answered the question no: 3 (iv) and (xv) truthfully. The Complainant did not disclose about his previous treatment on 25th September, 2006 for carries spine. This amounted to suppression of material facts. In support of their argument, they cited the decision of APSCDRC- Hyderabad in CC No-54/2004 decided on 3.7.2009 (LIC Vs. Smt. Pindy Anuradha & Others). In support to their repudiation action, the insurer produced the documents of treatment. But, in the course of hearing, the complainant produced a certificate from Dr R.M. Panda dated 28-9-2007 in which the doctor certified that the complainant's father was only treated as OP for suspected carries spine and that thereafter he was symptom free.

AWARD:-

The Hon'ble Ombudsman observed that the insurer relied upon a medical report dated 28.10.2006 supplied by the Complainant in which it was stated that his father was suffering from carries spine. There is no other evidence with the insurer to support its claim that the complainant's father was not truthful in stating about his health in the proposal form. The complainant, on the contrary, stated that his father had no health problem when he took the policy. He also produced a certificate from the doctor to this effect. So, it appears that the claim of the insurer that the insured misstated his health condition in the proposal form is inconclusive.

In the above premises, the Hon'ble Ombudsman held that this is a case where much could be said on either side. Thus, he deemed it appropriate to direct the insurer to pay ex-gratia of Rs.40,000/- by allowing the complaint partly.

10

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-001-1140

Sri Dillip Pattanayak Vs. Life Insurance Corporation of India (Keonjhar BO of Cuttack D.O.)

Award dated 21st September, 2010

FACT:-

The Complainant had taken one LICI policy for his son in the year 2001. His son, the life assured expired on 19.11.2007 and the claim was lodged with the LICI. First, the insurer in their letter dated 17.09.2009 asked to submit the requirements for settlement of death claim, but later on 20.04.2010, the insurer informed the Complainant that the policy was in a lapsed condition as on the date of death. Thourgh oversight in their previous letter the insured have wrongly mentioned that the policy was in forced condition. So, they refunded the deposited premium amount only to the Complainant as per clause 4 (a) of the policy condition.

AWARD:-

The Hon'ble Ombudsman observed that in the insurer in its Self-Contained Note stated that the policy was in lapsed condition as on the death of the life assured. As per the condition, death claim amount should be guaranteed surrender value which was equal to 90% of the premium paid excluding the premium paid for the first year and extra premium. The Hon'ble Ombudsman heard the contentions of both the parties and felt that the insurer has rightly made the payment as per the policy condition. But, the insurer committed a mistake in asking the complainant for documents in their letter dated 17.09.2009 assuming that the policy

was in full force. But, after realizing the mistake, the insurer expressed its regrets for the same. So, the complainant has no reason to complain of harassment by the insurer. A clerical error cannot amount to harassment. The fact is that the policy was in lapsed condition and the insurer paid the amount due in respect of such lapsed policy.

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

11

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1141

Sri Sudarasan Mohanty Vs. Life Insurance Corporation of India (Jagatsinghpur BO of Cuttack D.O.)

Award dated 22nd September, 2010

FACT:-

The wife of the Complainant had taken one LICI policy bearing no-585560295 from the LICI (inured). On her death, the complainant had applied for death claim and submitted the documents one year before, but the same had not been settled. Aggrieved by the inordinate delay, the Complainant has approached this forum for seeking redressal of his grievance.

AWARD:-

The Hon'ble Ombudsman observed that the insurer in its Self-Contained Note stated that though its servicing branch issued the claim form, the Complainant did not submit the same after repeated reminders from it (insured). So, the insurer stated that the reason for delay in settlement of claim was due to non-submission of claim form by the complainant. However, at hearing, the complainant showed the acknowledgement in support of furnishing the relevant papers to the insurer. The Hon'ble Ombudsman further felt that the complainant was delayed in sending the relevant forms to the insurer which appeared that the complainant's agent caused the delay and now the insurer has received the papers. So, he directed the insurer the ensure that the claim is processed expeditiously and in any case within a month from now.

In view of the above, the complaint is treated as allowed for statistical purposes.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1143

Sri Satyabrata Singh Vs. Life Insurance Corporation of India (Kendrapara BO of Cuttack D.O.)

Award dated 21st September, 2010

FACT:-

The wife of the Complainant had taken one policy bearing No.589533262 from the LICI (insured). On her death, the Complainant had applied for death claim and submitted the required documents. But, the death claim was not settled yet in spite of long lapse of time. Being aggrieved by the delay, he (Complainant) approached this forum for seeking redressal of his grievance.

AWARD:-

The Hon'ble Ombudsman observed that the insurer in their self contained note dated 6.9.2010 informed that they have settled the death claim for Rs.52100/- vide their cheque no.03640510 dated 8.7.2010 and the same was dispatched by registered post no D-2060 dated 15.07.2010.

In view of the above, since the death claim is settled to the satisfaction of the complainant, the complaint is treated as allowed.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1144

Smt. Niharika Panda Vs. Life Insurance Corporation of India (Cuttack-I BO of Cuttack D.O.)

Award dated 21st September, 2010

FACT:-

The husband of the complainant had taken policies bearing no. 583387000, 585414605, 585414884, and 582452355 from the LIC of India (insured). On the death of her husband, the complainant applied for death claim and submitted

all the documents. Yet the claims remained unsettled after a long lapse of time. Being aggrieved, she has filed this complaint.

AWARD:-

The Hon'ble Ombudsman observed that the insurer in their self contained note stated that the death claim had been settled in respect of all the policies. The Insurer also provided in detail the cheque no with date, amount and dispatch details for all the policies.Since the death claims have been settled, it is presumed that the grievance of the complainant has been redressed.

In the result, the complaint is treated as allowed.

14

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-004-1152

Sri Duryodhan Sahoo Vs. ICICI Prudential Life Ins. Co. Ltd.

Award dated 23rd September, 2010

FACT:-

The Complainant had taken one policy on the life of his son from the ICICI Prudential Life Ins. Co. Ltd on 23.6.2007 for Rs.1,00,000/- sum assured. His son expired on 01.09.2009. The Complainant stated that he purchased the policy on deposit of Rs.54,000/- under a certain mistaken impression. The death claim lodged by him was repudiated by the insurer. Even the deposited amount was not refunded to him. So, he approached this forum for settlement of death claim in his favour or to refund his deposited amount with interest.

On the other hand, the Insurer in its Self-Contained Note stated that they had repudiated the claim on the ground of suppression of material facts as regards to health in proposal form before obtaining the policy.

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. The insurer's representative answered in negative to the queries regarding refund of the fund value.

AWARD:-

The Hon'ble Ombudsman observed that there is evidence to show that the DLA was under medical treatment on the date of the proposal. Thus, the insurer correctly repudiated the death claim. Fund value, however, stands on a

different footing. The insurer invested the fund portion of the premium collected and that fund, the value of which depended on the NAV, was not tainted in any manner by the wrong statement in the proposal. The fund value, determined as the NAV as on the date of death of the insured, is payable to the nominee of the LA. The insurer's representative informed that the fund value of the policy as on the date of death worked out to Rs.58,500/-. Thus, the Hon'ble Ombudsman directed the insurer to pay this amount to the Complainant. However, he felt that it is not possible to allow payment of interest in this award as was sought for by the complainant.

In the result, the Complaint is allowed in part at Rs.58,500/-.

15

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-21-005-1180

Smt. Padmabati Sahoo Vs. HDFC Std Life Ins. Co. Ltd.

Award dated 23rd of September, 2010

FACT:-

The husband of the Complainant had taken one policy bearing number 11824618 from HDFC Standard Life insurance Co. Ltd. for sum assured on death for Rs.1,57,116/- with annual premium of Rs.20,000/- and date of commencement as 16.4.2008. The Life Assured expired on 24.7.2009. Being the nominee under the policy, she lodged death claim. The insurer repudiated the claim on 25th February, 2010 on the ground of suppression of material facts in Section D of the application for insurance. Being aggrieved, the Complainant has filed this complaint and prayed that the insurer be directed to settle the claim with interest accrued till date at the earliest.

However, the insurer contended that their official had properly and fully explained the terms and conditions, benefits and features of the proposal. It was only thereafter that the proposer had submitted the documents and the proposal form. In Section - D at Page 9 against Question No. 6(a) and (b) of the proposal form dated 14.4.2008, the life assured declared that he was not suffering from diabetes and high blood pressure. Against question no.12 (2), he declared that currently he was not suffering from any illness, impairment or taking any medication pills or drugs. However, his was a known case of diabetes for the last 2 years before death which meant that before signing the proposal itself he was a diabetic. The Certificate/Prescription of Dr. B.K. Mohanty dated 21.12.2008 mentioned that the life assured was suffering from diabetes since one year and hypertension for the last 4 years. Hence, the LA indulged in gross suppression of material facts in relation to health condition. The insurer, therefore, justified repudiation.

AWARD:-,

On a careful appraisal of the facts of the case and examination of the documents submitted, the Hon'ble Ombudsman observed that the life assured suppressed material facts relating to his health and obtained the policy. Insurance is based on the principle of utmost good faith, which the LA had transgressed. The insurer has credible evidence in support of the contention that the LA was a known case of diabetes and high blood pressure before the policy was taken. Since the policy was taken on the premise that the insured was in good health while in fact he was a known case of diabetes and high B.P., the insurer rightly repudiated the claim under the policy.

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

CHENNAI:

Death claim-14.6.2010

AWARDS-2010-11 --- (LIFE INSURANCE)

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no 21.05.2941.

Mr.C.Nagakumar vs LIC,Salem

Award no-IO (CHN)L-001/2010-11dated-14thJune 2010

The complainant had stated that his mother took policy for rs 50,000/- under New Janaraksha Plan on 10.06.2005 and died on 25.10.2007 due to fever. The complainant had mentioned that his mother was sick due to fever and health deteriorated and died. The claim was denied by the insurer stating that his mother had not stated her correct age at the time of taking the policy but with a lesser age. He further stated that his mother was illiterate and she could only sign. The insurer had had mentioned that the age of the assured was given as 42 years and date of birth as 3.09.1963 at the time of taking the policy. But the age of the LA was 53 years at the time of taking the policy and had she given the correct age the underwriting decision would have been different and as per the rule LA was ineligible for this plan. Hence the claim was repudiated

The insured had represented that her mother was an agriculture coolie and her age at the time of her death was 50 years and prior to her death she was suffering from fever since two months. The insurer had mentioned that as per claim form A(claimant's statement)and C the age of the life assured at the time of death was stated as 55 years according to which her age as on the date of proposal would be 53 years. In addition to the above insurer submitted a copy of Voter ID of the life assured as per which the age of life assured had been shown as 43 years on 1.1.95.Based on this her age at entry as on the date of proposal would be 53 years which also tallies with the declared age at the time of death. The representative had stated that the age under the plan was a material fact as the maximum age at entry for the plan given was 50 years.

Hence the diseased was not eligible for the plan-New Janaraksha policy on the date of proposal. The insurer had mentioned that in view of the above claim was repudiated.

On a perusal of various documents like claimant's statement, certificate of identity and burial, Death certificate, and the Voter's Identity card it is proved that the age of the diseased life assured on the date of death was 55 years and going by this the age of the life assured on the date of proposal would be 53 years. During the hearing the complainant had admitted that he was born on 13.04.1972 and said that the difference between his age and that of his sister was 1 year whereas the same is 4 years as per the ration card. Taking all the factors it can be concluded that the ages declared in the ration card are not correct and this cannot be considered as a supporting document to decide the age of the life assured. Thus it is proved beyond doubt that the age of the life assured is grossly understated by 11 years in the proposal. Hence the nondisclosure of correct age amounts to suppression of material facts and hence insurer is justified in repudiating the claim.

The complaint is dismissed.

Death claim-22.6.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no. 21.02.2056.

Smt.Vasanthi vs LIC,Chennai

Award no-IO (CHN)L-002/2010-11 dated-22nd june2010

The complainant had mentioned that her husband had taken a New Janaraksha policy from LIC for a sum assured of rs 50,000/-from 28.08.2004.The policy had lapsed and was again revived on 20.04.2007 .The LA had died on 31.12.2007 due to chest pain.The insurer had denied the claim on account of the fact that the deceased LA was an alcoholic and diabetic and had received treatment for alcoholic gastritis,disorder of lever and gall bladder and Hannsen's disease.The LA had not disclosed these details in the personal statement at the time of revival and the repudiation was based on pre revival illness.

The complainant had mentioned that her husband was in good health and on the date of death he complained of chest pain and died due to heart attack.She admitted that her husband was hospitalized during june2006 and he had the habit of consuming liquor and was not eating properly due to stomach pain.The insurer had argued that the life assured had revived the policy which had lapsed on 20.04.2007 by submitting a personal statement regarding health which was the basis for reviving the policy and in that he had not disclosed about his illness.Hence the insurer had stated that the revival was considered null and void due to suppression of material fact regarding health at the time of revival.To establish pre revival illness the insurer has filed copy of ultra sound evaluation report dated 11.06.2006 and case

sheets of Madrs Medical College Hospital,Chennai pertaining to the period 11.06.2006 to 16.06.2006.

As per the ultra sound evaluation report the patient was diagnosed to have fatty lever with Hepatomegally with gall bladder sledge. He was also diagnosed for alcoholic gastritis encephalopathy and Hansen's disease as per the hospital records. From the above it was clear that the LA was hospitalized during june2006 when he was suffering from all diseases as mentioned above and he has not disclosed in the personal statement at the time of revival.

The LA was a poor labourer uneducated and was selling vessels for his livelihood and it was difficult to believe that he had a fraudulent intention to derive the benefits of insurance while reviving the policy by suppressing the material facts of his ill health, as envisaged in sec 45 of the insurance act.The complainant,the wife of the LA was a poor lady selling vegetables with 3 dependent children and denying her the benefit of insurance totally does not justify the spirit behind the special purpose of provisions of policy.Considering all the above an exgratia amount of rs 25,000/- is awarded as total settlement of the death claim under the policy

The complaint is partly allowed.

Death claim-30.6.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no –21.009.2061.

Smt.R.Krishnaveni vs Bajaj Alliance

Award no-IO(CHN) L003/2010-11 dated 30thJune2010

The complainant had stated that her husband had taken a policy from the above insurance company from 14.03.2006 for a sum assured of rs 1,00,000/-.He died on 23.01.2008 due to heart attack.Her husband was earlier admitted in the hospital in Nov 2005 for the treatment of chicken pox and after proper treatment was discharged in an improved condition.She had also mentioned that he was in good health and was working till his death.The insurer had denied the claim on account of the fact that the deceased LA was hospitalized in Nov 2005 for chicken pox,AtaxicHemiparesis and Right Para Ventricular Infarct.These facts were not disclosed by the insured in the proposal form dated 4.3.2006.The complainant had argued that the cause of death was not chicken pox.

From the records submitted by the insurer it was observed that the insured was admitted at PSG hospital for the terminal illness on 22.01.2008 where he died on 23.01.2008.The primary diagnosis was Rt.Carotid Stroke,Rt ICV Block,Malignant brain edema and stoppage of Anti Palate drugs.From the case sheets submitted by the insurer it was also found that the insured was a case of old CVA(2 years) preceded by chicken pox,Lt.Hemiparesis,MRIBrain-Right Para Ventricular infarct.Insupport of their contension the insurer had also submitted the discharge

summary issued by PSG Hospitals in respect of hospitalisation of the insured from 15.11.2005 to 22.11.2005.As per this report the LA was admitted on 15.11.2005 and was diagnosed and treated for post chicken pox-Ataxic Hemiparesis and Right Para Ventricular infarct.From the investigation report it has been observed that LA was a graduate working as BT asst in a school.He has submitted the proposal within 4 months of his hospitalisation and has not disclosed his health condition in the proposal which amounts to suppression of material facts. Considering all the above facts the decision of the insurer in repudiating the claim is in order.However the insurer has forfeited full premium paid under the policy and they are not justified in doing so since some portion of the premium is for market linked investment portion ,the risk under which is fully borne by the policy holder.Hence the insurer is directed to pay the fund value on the date of intimation of death to the complainant.

The complaint is partly allowed.

Death claim-28.7.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no-21.01.2111

Smt.H.Sheela vs LIC Chennai do

Award no-IO(CHN)L-004/2010-11 dated 28.7.2010

The complainant ,wife of the deceased had stated that her husband had taken an endowment policy for a sum assured of rs 1 lakh from 23.01.2007.Hedied on 11.09.2008.due to Heart Attack.The complainant had admitted that her husband had diabetic and they did not deny or hide it.The agent only had completed the proposal form and her husband had only signed the form.The insurer had denied the claim stating that LA was diabetic since 12 years and had not disclosed the same fact in the proposal They said that if he had disclosed their underwriting decision would have been different.The insured had also undergone surgery for diabetic foot in left leg.The insured had with held correct information regarding health at the time of effecting the assurance and hence the claim was rejected.

The insurer had stated that the claim was rejected on the ground suppression of material facts and the LA had not disclosed in the proposal that he had diabetes for 10 years.The insurer had also admitted that there was no other evidence to prove that the diseased had been taking medicines for Diabetes the past 10 years.During the hearing the complainant had admitted that her husband had diabetes for 12 years and was suffering from TB,cancer,Liver and Kidney problems.It was observed from B1 and B the Doctor has not mentioned about disease preceded or co existed at the time of hospitalisation..The DMR report confirms cause of death as cancer

and states that the LA had Diabetes and nephropathy and both illness are not related.The case sheet of GGH states that LA had no past history of Renal disease and hence the Renal disease might have developed later ,subsequent to the date of proposal.Since the policy has attracted the provision of sec 45 of the insurance act the insurer has to establish that there was suppression of material facts and that there was a fraudulent intention on the part of the insured in suppressing these facts.The insurer could not produce any evidence on this.Since the complainant herself had admitted that her husband had diabetes the fact that LA had diabetes prior to the date of proposal was established .Taking all the factors into account and to ensure equity an amount of Rs50,000/- is awarded as exgratia in full and final settlement of the claim.

The complaint is partly allowed.

Death claim-28.7.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no-21.01.2094

Smt.M.Mangalavathi vs LIC,Chennai DO –1

Award no-IO(CHN)L-005/2010-11 dated28th July 2010.

The complainant had stated that her husband had taken a Bima Gold policy for a sum assured of rs40,000/- from 28.03.2006..The LA died on 22.01.2008 due to heart attack.and the claim was rejected by the insurer due to suppression of existing disease in the proposal form.The insurer had mentioned that LA was a known case of diabetes and systemic hypertension for 5 years and did not disclose in the proposal form.They said that had the LA disclosed DM/HL they would have called for physician's report ,special BST report before accepting the proposal.In view of nondisclosure the insurer had repudiated the claim.

The LA was admitted at JIPMER Hospital for treating terminal illness and he died on 22.01.2008.The cause of death as mentioned in the claim form B,Medical Attendant's Certificate is sudden cardiac death,cerebro vascular accident.The Doctor has certified in the claim form B that the assured had history of diabetes and hypertension for 2 years and records are not available .The same doctor has certified in the claim form B1that diabetes and hypertension were coexisting diseases and life assured was not on any treatment.The insurer is basing his repudiation on a certificate dated 23.10.2008 issued by the above Doctor stating the life assured was a known case of diabetes and Systemic hypertension for 5 years.It is also pertinent to note that the age of the life assured is mentioned as 55 years in forms B,B1 and Certificate dated 23.10.2008 where as the age at the death of life assured as per the proposal would be 43 years.His age has been admitted on the basis of Voter's –id as per which his age as on 1/1/1995is mentioned as 30 years which tallies with the admitted age 41 years in the proposal.Taking all the factors into account it is difficult to accept these documents as clinching

evidence to establish pre-proposal illness of the diseased.Further sec 45 is also applicable since repudiation has been made after 2 years.The life assured was not on treatment for Diabetes Mellitus and Hypertension and therefore how far he was in the knowledge of the disease is also debatable.Considering all the aspects the repudiation of the claim is not correct and hence insurer is directed to settle full sum assured under the policy.The complaint is allowed.

Death claim-28.7.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no-21.05.2126

Mr.P.Chinnasamy vs LIC Salem DO

Award no-.IO(CHN)L-006/2010/11 dated28th July 2010.

The complainant the father of the diseased had stated that his son took one money plus policy from LIC with quarterly premium of rs5,000/-for his income tax benefit and savings for a sum assured of rs1lakh from 12.07.2007.The LA died on 01.04.2008.The LA was working as a technician in Titan Industries ltd and had joined the company after medical examination.The insurer had denied the claim on account of the fact that the deceased had committed suicide within 1 year from the date of risk.

The insurer had mentioned that the death took place within one year of commencement of the policy and as per claim form A,FIR and PIR the death due to suicide.Hence LIC had repudiated the claim by invoking suicide clause.The complainant had admitted in formA that the cause of death was suicide by hanging.In this case FIR has been registered on 02/04/2008 and both the FIR and police inquest report dated 02/04/2008 state that the deceased was suffering from swelling of testicles and he was unable to bear the pain and committed suicide.Thus there is no dispute relating to the cause of death which was by suicide.The insurer had as per the suicide clause repudiated the claim and paid the fund value under the policy amounting to rs8,812.15.Hence the action of the insurer in repudiating the risk cover under the policy is justified and the complainant is not eligible for the benefits claimed by him.

The complaint is dismissed.

Death claim-28.7.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no-21.04.2049.

Smt.M.Sasikala vs LIC,Madurai

Award no-IO(CHN)L-007/2010-11 dated 28th July 2010

The complainant had stated that her husband had taken an endowment policy for Rs78,000/- for a term of 17 years from 28.04.2003 and died on 19.06.2003 due to chest pain.She further said that he was working as a attender in MP 92 Varusanadu Primary Agri.Coop Bank and while working in the office on 19.06.2003 he had developed sudden chest pain and his colleagues and other people immediately arranged first aid for him with the govt approved homeopathy doctor in the village.As there was no M.B.B.S doctor available in the village he was about to be taken to a Doctor in the town and he died before he could be taken to the town Doctor.The insurer had asked for a medical certificate of death as the LA was not taken to any hospital and due to immediate and sudden death they could not get the medical certificate.

The insurer had denied the claim on account of the fact that the deceased LA committed suicide within one year from the date of the policy,the policy has become null and void.The insurer had mentioned that as per the claim investigation report the LA was an alcoholic and committed suicide by taking poison with liquor.But the insurer could not obtain any records from the hospital where the LA had taken treatment.

The complainant had mentioned that her husband had some chest pain on 17thJune 2003 and contacted the local Homeo Doctor and he has advised them to consult an allopathy Doctor after giving some medicines.On 19.06.03 he again developed chest pain in the office and was again taken to Homeopathy Doctor by his colleagues and expired on the same day in the afternoon.The complainant had also mentioned that her husband neither visited Meenakshi Mission Hospital nor Sairam Clinic and was mentioning that her husband had died due to hear attack only.The insurer had mentioned that (a) LA was an alcoholic and committed suicide by consuming poison with liquor,(b)was admitted to Meenakshi Mission Hospital for stomach wash(c) was under suspension from 16.01.2002 to 09/12/2002.for misappropriation of funds.Since the death has occurred within a period of 1 month and 2 days Suicide clause was operative.The insurer invoked the suicide clause and the claim was repudiated.

From the perusal of documents it is observed that the insurer has relied only on the investigation report submitted by their branch manager and the branch manager could not give any supporting documents to prove his conclusion.He could not obtain any letter /certificate from the hospital.to prove that LA was admitted in the hospital for treatment.On the other hand the complainant was able to submit letter from the Homeopathy doctor,declaration signed by some local villagers Letter from Village Administrative Officer to substantiate that the death was a natural death.The claim can not be denied on the ground of suspected suicide and it can be denied only if death by suicide is convincingly proved.Considering all aspects the insurer is not justified in repudiating the claim and they are directed to settle full sum assured under the policy.

The complaint is allowed.

Death claim-30.7.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no-21.08.2143.

Shri.K.Chandran vs LIC,Vellore

Award no-IO(CHN)L-008/2010-11 dated30th July 2010.

The complainant had stated that his father had policies on his own life and his wife's life also.He availed loan on these policies for the purpose of house construction.After this he had taken another policy on 28.08.2005 for a sum assured of rs3,00,000/-.He was admitted at Apollo Hospital on 27.02.2007and died on 20.03.2007 due to Renal shut down.The insurer had denied the claim on account of the fact that the LA had suffered from Hemiparesis-in the year 2003,Diabetes Mellitus,Hypertension and cerebro vascular accident for which he took treatment in a hospital.He did not disclose these facts in the proposal.He had made deliberate misstatements and withheld material information from them regarding his health at the time of effecting the policy.Hence the insurer had stated that they have repudiated the claim.

The deceased LA had taken the policy at 60 years and submitted all required medical records /test reports before taking the policy.The death summary reveals that the deceased was suffering from Diabetes, Hypertension for the last 3 years. How these facts are mislead in the medical test taken at the time of taking the proposal.Hence the repudiation was done on the basis of death summary issued by Apollo Hospital .

The complainant had stated that his father was a pensioner and was admitted to the hospital due to breathlessness.He died on 20.03.2007 due to renal shut down.He further stated that they have not told anything about his father's illness in the Apollo hospital.According to the insured LA suffered from Hemiparesis in 2003(paralytic left side),diabetes,HT,stomach problem and cerebro vascular accident for which he took treatment in a hospital.The life assured did not disclose these facts in the proposal.Since the life assured had withheld material information regarding his health at the time of taking the policy the claim was repudiated.On a perusal of various papers it is observed that the death summary states that the patient was a known case of Diabetes mellitus,hypertension,and old cerebro vascular accident left hemiparesis(2003).The insurer had also submitted the full case sheets of the Apollo hospital from 27.02.2007 to 20.03.2007 which shows the following;

In the history of present illness it is clearly stated that patient is a known case of DM,HTN,OLD CVA(L) Hemiparesis 2003 and H/O alt sensorium-stabilised 1 ½ years ago.

History of DM-6 YEARS,history of Hyper tension CVA4 years old.

In the medical Attendant's certificate form B it is clearly mentioned LA was suffering from Stroke,Diabetes,and HT and the duration shown as DM and HT6 years and Stroke 4years.The

divisional medical referee has also opined that DM and HTN and CVA had direct connection to cause of death-Renal shut down.Considering all aspects it is clearly established that there is clear suppression of material facts while proposing for the policy and it is evident that life assured was in full knowledge of the facts of his preproposal illness.Therefore the insurer is justified in repudiating the claim .

The complaint is dismissed.

Death claim-30.7.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no 21.04.2148

M/S.S.Kanchanamala Vs. LIC Madurai

Award no-IO(CHN)L-009/2010-11 Dated 30th July 2010.

The LA had taken New Bima Gold policy on 18.01.2007 for a sum insured of Rs 1 lac and died on 17.08.2007 due to chronic renal failure.The complainant had stated that her husband was doing textile business and he was having good health at the time of taking the policy. She said that the agent who introduced the policy was known to them for more than 20 years.The insurer had mentioned that as per medical record GRH,Madurai the deceased LA was a case of young kidney alcoholic for 15 years .As per the records received from Tuticorin GH the deceased LA has been suffering from SHT/CRF/CAHD.He had not disclosed the above facts at the time of proposing his life.Hence LIC had repudiated them claim.

the complainant had stated that her husband was engaged in a small textile business in Chennai,She stated that to her knowledge he was not a smoker and alcoholic.He suffered from stomach pain and breathlessness and his friends admitted him in a hospital.He died due to chronic Renal failure and heart disease.The insurer had mentioned that the hospital records revealed that he was chronic smoker for the past 15 years and also consumed alcohol for a long time.The hospital records revealed that he had SHT/CRF/CAHD.The insurer had also admitted that neither discharge summary nor any hospital records prior to proposal were available to prove the habits of deceased LA .Hence the claim was denied due to suppression of material facts.

From form A and B1 it is observed that the Doctor who has attended the patient has mentioned that the patient was admitted with complaints of breathlessness.nausea and abdominal pain since 1 month.There is no mention of onset of duration of illness and whether other diseases were coexisting or preceded.The insurer had stated that the LA had given false answers to Q11(a)to (e) and (i)of the proposal.

There are no hospital records to establish the illness suffered by the life assured had existed prior to the date of proposal.

Though it is established that LA was diagnosed for SHT/CRF/CAHD since when he was suffering from the above disease is not established.

The suppression of smoking and drinking can not be treated as a suppression of material facts as they can be considered as habits rather than disease

Considering all the above factors the repudiation of claim by the insurer is not justified and hence they are directed to settle the full sum assured under the policy.

The complaint is allowed..

DEATH CLAIM-06.08.2010

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Complaint no-21.04.2049.

Smt.M.Sasikala vs LIC,Madurai

The complainant had stated that her husband had taken an endowment policy for rs 78,000/-for a term of 17 years from 28.04.2003.He was working as an attender in a cooperative bank and while working in the office he suddenly developed chest pain and his colleagues arranged first aid with a govt approved homeopathy doctor in the village.He died on the same day ie19.06.2003. before he was taken to allopathy doctor in the same town.The insurer had asked for medical certificate of death and as the LA was not taken to hospital and due to immediate and sudden death they could not get medical certificate.The insurer also wanted medical form to be filled and signed by the hospital and since LA was not taken to any hospital for treatment the hospital refused to give form B.The insurer had denied the claim by sending a letter on March 2004 stating that the claim was denied due to suicide.They have mentioned that the LA had committed suicide within one year from the date of policy and the policy has become null and void in terms of the policy contract.

Award no-IO(CHN) L007/2010-11dt 06.08.2010.

On a perusal of various records it was observed that the complainant had mentioned that LA had developed sudden chest pain while he was working in the office on 19.06.2003 and died on the same day.The insurer had argued that the death of life assured was due to suicide as reported in the investigation report.The only basis for Insurer's decision to conclude death by Suicide is the report of their own investigating officer.Though the

investigating officer reports that LA had consumed poison and was given a stomach wash at Meenakshi Mission hospital he has not been able to obtain any letter /certificate/declaration from the hospital that they have treated the LA for poison intake.The investigating officer has also submitted that LA was advised to go to hospital in Theni and he died at Sairam hospital in Theni.The insurer has not produced any letter to support his argument.On the contrary the complainant stated that the insurer was insisting them to obtain a letter from the hospital and the hospital authorities refused to give any certificate when the deceased LA was not admitted /treated in our hospital.The insurer has not been able to produce any evidence to substantiate their contension.No police records were also available to prove that death of life assured was unnatural and he committed suicide.

Thus it is seen that the insurer has not been able to substantiate with any reliable evidence to conclude that death of life assured is by suicide,whereas the complainant has submitted some written documents to prove that her husband died due to heart attack.Considering all aspects the insurer's action in repudiating the death claim is not justified and the insurer is directed to settle the full sum insured under the policy.

The complaint is allowed.

Death claim-06.08.2010

Complaint no-21.009.2149

Mr.Ravi Sam Banerjee vs Bajaj Alliance

The complainant, husband of the deceased LA stated that his wife took Capital unit gain market based policy commencing from 12.09.2007..She died of jaundice on 21.09.2008.The complainant had mentioned that the insurer had accepted the premium and issued the policy from 12.09.2007 and then collected the proposal form on 12.10.2007 and having issued the policy on 17.09.2007 they are liable to settle the claim.He also mentioned that the agent only has filled up all the columns and his wife has only signed the proposal.He was also arguing that his wife died of jaundice and not due to cancer for which she took treatment in June2007 and hence the repudiation of the claim is not justified.

The insurer had stated that LA was suffering from carcinoma breast for which she took treatment since june 2007.The fact known to LA was not disclosed in the proposal dt 12.10.2007.The insurer had also collected medical leave certificate which reveals that LA had taken leave for taking treatment for breast cancer.in june2007.Hence the insurer had repudiated the claim due to suppression of pre existing illness while taking the policy.

Award no-IO(CHN)/L-010/2010-11 dated 06.08.2010.

The claim has arisen within 1 year 9 days of taking the policy. The claim was repudiated by the insurer for suppression of material facts in the proposal submitted for the above policy.The insurer contends that LA had history of carcinoma of breast since June 2007 which fact known to the LA prior to submitting the proposal has been deliberately concealed The insurer has submitted leave availed by LA which reveals that LA was on leave from 14.06.2007 to 13.07.2007 and 26.07.2007 to 23.08.2007 ,5.09.2007 to 20.09.2007due to cancer of breast.From the above it is evident that she was suffering from cancer of breast from 16.06.2007much earlier to the submission of the proposal for the policy under dispute.During the hearing the complainant informed that his wife was detected for carcinoma of breast for first time 3 years back and in 2007 she underwent chemotherapy and thereafter surgery.He said that his wife was cured of cancer and she died due to jaundice.and not cancer.

The date of commencement of the policy is 12.09.2007 and the policy was issued on 17.09.2007 whereas the proposal was obtained on 12.10.2007.The argument of the complainant that the proposal form was filled up by the agent and his wife has only signed the form can not be accepted as the proposer is bound to clarify the nature of information sought and then give a truthful and correct answer without hiding any fact.As regards the date of proposal ie 12.10.2007 there seems to be some procedural lapse or possible tampering with the records as the date of proposal is overwritten and smudged.The argument of the insured that LA died of jaundice and not cancer does not hold good as there need be no nexus between the cause of death and the fact suppressed.Further a person with the history of carcinoma which is a systemic disease will always have the risk of recurrence in any part of the body.It is also observed that though the LA died on 21.09.2008 the intimation of death and the claim forms all dated 20.05.2009 have been submitted after 8 months.Considering all the above facts the insurer is fully justified in repudiating the claim.However there is no justification in forfeiting the full premium paid under the policy which contains market linked investment portion ,the risk under which is fully borne by the policy holder.As informed by the insurer the fund value under the policy as on the date of intimation of death was rs15186/-and they are directed to pay this fund value to the complainant.

Death claim-06.09.2010

Complaint no 21.01.2168.

Smt.S.Vijaya vsLIC Chennai

The complainant had mentioned that her husband was working as a conductor in MTC,Chennai and had taken two policies ;viz New Bima Gold and Jeevan Saral in Jan 2007 and March 2008 respectively under sss.He died on 17.07.2008 due to heart attack.The insurer denied the claim on account of the fact that LA was a known case of diabetic on treatment for the past two years and the fact of DM and Pleural effusion were not mentioned in the proposal forms at

the time of taking the policy.As the LA had withheld correct information reg his health at the time of effecting the policy the claim was repudiated.

Award NO-IO(CHN)/L-011/2010-11 dt 06.09.2010.

The LA had taken two policies from LIC NAMELY New Bima Gold for a sum insured of rs 50,000/- and Jeevan Saral for a sum insured of rs 1,00,000/-The LA died on 17.07.2008 reportedly due to heart attack at General Hospital ,Chennai where he was under treatment for illness.The Medical Attendant's certificate issued by Civil Surgeon General Hospital mentions the cause of death as cardiac arrest due to septicemia with acute renal failure.The past history recorded clearly indicate that the patient was hospitalized one year for the complaints of cough ,difficulty in breathing and then he was diagnosed as a case of plural effusion and got treatment.In the personal history it is recorded that the patient is a known case of DM on treatment on OHAfor past 2 years,history of TB for which he took ATT-1 year.During the hearing the complainant admitted that her husband had diabetes and the insurer had also produced a letter from the treating Doctor who certified that the deceased LA was under treatment for DM for 1 year prior to his death.The ground of repudiation of the insurer was that LA had diabetes for the last 2 years and this was not disclosed in the proposal form.Therefore it is evident that LA had knowingly suppressed the fact of his suffering from diabetes in the proposal submitted for his policy.Hence the repudiation of claim by the insurer in respect of policy no718154997 is justified.

As regards the other policy the proposal was submitted in Jan 2007 and the policy commenced on 24.01.2007 and the claim was repudiated on 28.03.2009 after 2 years from the date of commencement of the policy.Therefore sec 45 of the insurance act is applicable in this case and the insurer should not only establish suppression of material fact but also should prove that there was a fraudulent intention on the part of LA .The evidence we have on record to prove pre proposal illness in this case is the case sheets of Govt Hospital Chennai where in the past history of illness it is mentioned that LA was a known case of DM on OHA for past 2 years.This does not clearly establish fraudulent intention on the part of the LA in suppressing the fact at the time of proposal.The insurer also has not been able to convincingly prove this.Taking all aspects to ensue equity the insurer is directed to pay 50%of sum insured ie rs25,000/-on Ex gratia basis under the policy no 718054523.

The complaint is partly allowed.

Death claim-06.09.2010

Complaint no-21.08.2169.

Smt.K.Maharani vs LIC,Vellore DO

The complainant had stated that her brother had taken a policy from LIC for a sum assured of rs50,000/-from 03.06.2008.and died on 01.08.2008 due to heart attack.The insurer had repudiated the claim on the ground that LA had not disclosed the illness in the proposal form at the time of taking the policy.According to the insurer LA was suffering from cancer Supraglottis for which he took treatment in a hospital from 26.05.2008 and did not disclose this information in the proposal form.Hence the claim was repudiated.

Award –NO-IO(CHN)L-012/2010-11 dated 06.09.2010.

On a perusal of case sheets of CMC Hospital ,Vellore the life assured consulted ENT Dept on 26.05.2008 ,was diagnosed for cancer of Larynx-stage 4.In the case sheet dated 31.05.2008 it is recorded Imp Ca.SupraglottisT2/3.Earlier to this the LA had visited the Hospital on different dates.He visited GOVT Gen Hospital on 7.07.2008 and visited another hospital on 9.07.2008 where he took treatment upto 15.07.2008.All these reports clearly show that LA had been diagnosed for cancer of Supraglottis during May 2008 itself whereas he has proposed for the policy under dispute on 3.06.2008.Though the complainant contended that her brother had no cancer at the time of effecting the policy ,the medical records speak otherwise.Cancer being a serious disease and life assured taking treatment for the same ,not disclosed the fact in the proposal amounts to suppression of material facts so essential to the contract of insurance.

Considering all these aspects this is a clear case of suppression of material fact and violates the principle of utmost good faith.Hence the repudiation action of the insurer is justified.

The complaint is dismissed.

Death claim-06.09.2010

Complaint no-21.05.2170.

SmtP.Puthimathi vs LIC Salem DO

The complainant had stated that her sister had taken a policy with LIC for a sum assured of rs35000/-with an annual premium of rs1,713/-from 28.03.2004.The LA died suddenly due to chest pain. on 07.04.2008.The claim was repudiated by the insurer on 24.03.2009 on account of suppression of existing disease in the proposal form. The insurer had mentioned that LA was

affected by vertebral degenerative changes with calculus seen in the left kidney middle region with mild disc prolapse at L 4-L5 region cervical spondylosis with mild diffuse annular bulge of C3-C4to C4-C6 disc causing indentation over anterior thecal sac and mild atrophy of the certical and dorsal cord with altered signals. According to the insurer she had withheld all information in the proposal at the time of taking the policy and hence the claim was rejected.

Award no-IO(CHN) L-013/2010-11 dt 6.09.2010.

The insurer had stated that LA had made incorrect statements and withheld correct information regarding her health and hence the claim was repudiated.To support their arguments they have produced the following reports.

(1) MRI scan reports dated 9.11.2000,22.09.2004,27.09.2007
It is suggestive of cervical spondylosis with mild diffuse Annular bulge of C3-C4 Disc

(2) CT Scan report dated 25.08.2000, 23.10.2005

CT scan on lumbar spine dated 25.08.2000 reveals- all the vertebrashows degenerative changes with calculus seen in left kidney middle region and mild disc prolapse at L4-L5 region. Ultra sonogram report dated 23.10.2005 reveals small fibroid in the anterior wall of uterus

(3) Report of Maruthi Hospital dated 22.09.2004

The report reflects 1 year history of progressive spastic weakness of both lower limbs causing recurrent falls,numbness over legs,urinary hesitancy.In the clinical impression it is recorded that she had progressive spastic paraperesis since 1999.

A study of the above documents clearly indicate that the LA was suffering from illness not only prior to the revival of the policy but even prior to the submission of proposal under the policy.The MRI Report dated 9.11.200 and CT scan on Lumbar spine dated 25.08.2000 are much prior to the date of proposal whereas MRI dated 22.09.2004 and CT scan dated 23.10.2005 are prior to the date of revival.The life assured has been undergoing series of investigations since 2000 and is under treatment for her illness which is of a serious nature making her almost immobile.The LA has not disclosed her illness either in the proposal dated 31.03.2004 or the personal statement of health dated 13.06.2006.Thus the suppression of health is clearly established.Considering all aspects the insurer is fully justified in repudiating the claim.

The complaint is dismissed.

Death claim-06.09.2010

Complaint no-21.004.2166.

Shri.S.N.V.Ravindran vs I.C.I.C.I Prudential Life Ins Co Ltd.

The complainant had taken Hospital Care Policy from the above insurance co for a period of 10 years for an annual limit of rs 4 lakhs and life limit of rs20 lakhs.The complainant had undergone surgery for removal of Perianal Abscess on 13.01.2010 and was in the hospital for 4 days.He had submitted a claim for Rs25,556/-and received cheque from the insurer only for Rs4,000/-towards room charges for 4 days.The insurer had mentioned that LA had undergone "incision and Drainage with removal of Nercotic tissue"and this is not covered under the list of surgeries mentioned in the policy terms and condition.Under the Hospital care plan A he was eligible to get a DHCB benefit of Rs1,000/- per day.of hospitalisation and hence he was paid Rs4,000/-.Item no 96 mentioned in the policy under Grade I surgery relates to "The surgery Prostate Gland,Abscess,Retropublic/Endoscopic Drainage and not to Perianal which the insured had suffered .Hence the claim was repudiated.

Award no IO(CHN) L-014/2010-11 dt 06.09.2010.

The dispute in the present case is whether the surgery underwent by the complainant is covered under the policy and whether the insurer is justified in repudiating the claim.The discharge summary mentioned that the complainant was diagnosed for perianal abscess and surgery was performed under spinal Anesthesia.The insurer has submitted that "Anorectal abscess(also known as an anal/rectal abscess,perianal/perirectal abscess) is an abscess adjacent to anus.The insurer submitted that from the medical records the LA was diagnosed for rectal abscess for which he had undergone Incision and drainage with removal of Necrotic tissue.The insured stated that this surgery was not covered under the list of surgeries mentioned in the policy terms and conditions.In this particular case the abscess was formed in urethara which is positioned near rectum and urethara is not coverd.The insurer was asked whether the surgery for perianal abscess also called as rectal abscess underwent in the present case can be considered under sno 98 Grade 1relating to rectum /sno 135 Grade 1 relating to urethara/sno 279 to281 of Grade 2- relating to rectum sno 124/125of Grade 3 relating rectum or sno 130-grade 4 relating to rectum.

The representative from the insurer could not clarify this aspect.

Considering all aspects the rejection of claim by the insurer for surgery charges and cost of medicine claimed by the complainant is not justified and hence the insurer is directed to settle the surgery charges and cost of medicines claimed as per policy conditions

The complaint is allowed.

Death claim-06.09.2010

Complaint no21.02.2181.

Smt.M.Mythili vs LIC Chennai DO 2

The complainant,wife of the LA had mentioned that her husband had taken two policies for a sum insured of rs1,05,000/-and rs2,00,000/-commencing from 28.11.2006 and 28.03.2006 respectively.LA had died on 29.06.2007 due to Aspiration Pneumonitis.The complainant had mentioned that before 15 days of his death LA had severe cough and breathing problems while eating.They were advised to consult a Doctor at chennai and after investigation at Chennai Doctor diagnosed as lung infection and was admitted in ICU,General Hospital Chennai on 26.06.2007. He died on 29.06.2007.The insurer had mentioned that LA was a known patient of Psoriatic Arthiritis for the past 2 years,history of joint pains for 1

½ years specially under steroids for the past 8 months before 27.06.2005 ie;before the commencement of the policy and these were not disclosed in the proposal.Since the material information regarding the health was withheld at the time of effecting the assurance the claim was repudiated.

Award no-IO(CHN)/L-015/2010-11 dt06.09.2010.

On a perusal of case sheets from General Hospital, Chennai it revealed that LA was admitted on 26.06.2007 and discharged on 29.06.2007.He was diagnosed for Bulbo spinal weakness ,Spinao Muscular atrophy and aspiration pneumonitis. It was also recorded that the patient was a known case of psoriasis for 2 years was on steroids for 8 months took native treatment, History of joint pains for 11/2years,History of low grade fever for 1 year on and off. The case sheet also mentions of life assured having undergone treatment with native medicines 1 year sidda,5months-homeopathy followed by allopathy.

During the hearing the complainant who is a qualified nurse denied that her husband was taking steroids but admitted he used to consume herbs and take homeo medicine.She also expressed that her husband might have taken steroids in the last few months during her absence.The repudiation of claim under both the policies have been made 2 years after the date of commencement of the policy and therefore attracts sec 45 of Insurance Act 1938.The insurer has to establish fraudulent intention on the part of the insured apart from establishing suppression of material facts. While answering questions 11(a),11(b),11(e),11(j) and 11(i) the life assured can not be faulted as having given wrong answers especially to Qno11(b),11(i)and 11(j)As regards Q11(a)it is likely that LA might not have consulted a medical practitioner and the insurer also has not established this fact. Therefore taking all factors one can not attribute fraudulent intention to LA for not disclosing psoriasis and joint pains. Hence it can be

concluded that only suppression is established and not with a fraudulent intention. Considering all the facts and to ensure equity an amount of rs1lac is awarded as exgratia in full and final settlement of the claim.

DELHI

Case No.LI-JP/78/10

In the matter of Ms. Kaushalya Devi

Vs

Life Insurance Corporation of India

ORDER dated 14.06.2010 - Death Claim

1. Ms. Kaushalya Devi has made a complaint to this Forum on 08.02.2010, against LIC of India, D.O-Jaipur regarding Death Claim on the life of her husband Late Shri Mehar Chand under policy no. 196151875.

2. On intervention of this office, we have now been informed by LIC of India, vide their letter Ref: Claims/complt./LI-JP/78/10dated 28.05.2010 that they have paid the Death claim to Ms. Kaushalya Devi 31.12.2009 for a sum of Rs.1,00,000/- vide cheque no. 479585 dated 04.03.2010.

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/232/HDFC/09

In the matter of Smt.Rajvinder Kaur

Vs

HDFC Standard Life Insurance Company Limited

AWARD dated 30.07.2010 - Death claim

1. This is a complaint filed by Smt.Rajvinder Kaur (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 wrongly repudiated the death claim.

2. The complainant submitted that a policy No.11456734 – Unit Linked Young Star Suvidha plus Plan was taken by her husband Shri Shamsher Singh from HDFC Standard

Life Insurance Company Limited. It has been stated by her that the insurer refused to give the claim of the policy for the reason that the policy has lapsed in the month of March, 2009. The premium of all previous months had been paid through Union Bank of India (through ECS). The delay was due to non-sending any demand letter by the company. She herself contacted the Branch Office at DC chowk in the last week of March, 2009 and confirmed about the status of renewal of the premium. She came to know that the policy was lapsed as there was no money in her account of Union Bank of India. She stated that it was the duty of the company to inform policy holder about no money in the account to pay the premium but she still paid the premium for month of March, 2009 with penalty along with premium of April, 2009 on 20.04.2009. It has been stated by her that even after paying the penalty and premium, the insurance company had not informed in writing neither verbally about the revival of the policy. It has been submitted by her that she was not informed about 90 days clause in the policy conditions. She stated that any contract of insurance, each and every clause applicable to both the parties but no benefit has been given to customers. It is very much against the ethics of insurance.

3. Detailed replies submitted on behalf of the company were placed on record. It has been stated that the deceased policy holder was insured under the policy for a sum assured of Rs.1,80,000/-. The policy document under reference under the head "Standard Policy Provisions" provides the basic benefits wherein the benefit at the time of death and maturity are clearly provided for. It has been mentioned in the written submissions by the company that in case of non-accidental death, risk cover will commence from 91st,day after the date of commencement or 91st, day after the date of issue or 91st, day after the date of revival of the policy, whichever is later. This policy was lapsed for the first time on 06.03.2008 due to insufficient funds. The same was intimated to the life assured vide letter dated 06.03.2008. The policy was revived by life assured on 08.03.2008. As per sub-clause b of Clause 3 under the Standard Policy Provisions at page 6 of the policy documents, in case of non-accidental death, risk cover will commence from 91st,day after the date of commencement or 91st, day after the date of issue or 91st, day after the date of revival of the policy, whichever is later. In this case, policy was lapsed on 04.04.2009 and the same was reinstated on 20.04.2009 after the payment of outstanding premium along with revival charges. A letter was received from the complainant on 29.07.2009 intimating therein the death of the life assured on 28.06.2009 and further request for settlement of claim resulting to above mentioned policy. On receipt of the death claim, the matter was investigated and it was found that life assured died of cause other than accident within 68 days of the reinstatement/revival of the policy. The claim was not processed as it attracts the exclusion clause in sub-clause (b) of Clause 3. This fact was intimated to the complainant vide letter dated 28.08.2009.

4. I have very carefully considered the submissions of the complainant. I have also perused the replies as placed on record on behalf of the company. I find that the insurance company had not paid the death claim to the complainant on the ground that it was not payable. The company states that death of the policy holder occurred on 68th day of the reinstatement/revival of the policy. Had the death taken place after 91st day of the reinstatement/revival of the policy, death claim would have been payable by the

company. I find that the premium was paid through ECS, that is, insurance company got the premiums from the bank account of the policy holder through ECS. The payment for the premium due in the month of March, 2008 could not be received by the company through ECS due to insufficient funds. However, the policy was revived on 08.03.2008. Policy holder deposited premium amount along with penal interest immediately after intimation to this effect is received by the policy holder. The policy was again lapsed on 04.04.2009 and the same got reinstated on 20.04.2009 on payment of due premium along with penal interest/revival charges but this time the company did not inform to the policy holder about the lapse for not making the payment of premium and the policy holder himself on his own made the payment of premium due along with revival charges. It is to be clearly mentioned here that policy continued to remain in force from its date of commencement to the date of the death of the life assured. Whenever premium was not paid on any account due to insufficient funds in the bank account or due to failure of the policy holder, policyholder paid the premium with penal interest. The fact remains that the policy remained in force. In my considered view, death claim was rejected only because of technical niceties provided in the policy conditions. One fails to understand the reason that had the policy holder died after 23 days, entire claim would have been admissible but since he died on 68th day after reinstatement/revival of the policy instead of 91st days, death claim has been rejected. If at all this clause is invoked, the very purpose of taking policy is defeated. **Therefore, in my considered view, it would be fair and reasonable due to continuance of the policy, death claim under the policy is payable to the complainant. Accordingly I direct the insurance company to make the payment of sum assured to the complainant being the nominee of 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/260/DL-III/09

In the matter of Smt. Kamla Devi

Vs

Life Insurance Corporation of India

AWARD dated 06.08.2010 - Death claim

1. This is a complaint filed by Smt.Kamla Devi (herein after referred to as the complainant) against the LIC of India (herein after referred to as respondent insurance company) in respect of repudiation of death claim.

2. The complainant submitted that her husband late Shri Ram Kishan expired on 18.05.2008. He had taken a life insurance policy No.331740397 for sum assured of Rs.1,00,000/-. She had approached LIC office for making the payment of death claim but she had not been paid death claim so far. She further stated that she had made a request to reconsider the claim but she did not get any response from Zonal office. It has been stated by her that at the time of taking policy, her husband was hale and hearty and was not getting any treatment for any disease. Before the death, he was admitted at Ram Manohar Lohia Hospital for two to three days. He was not ill for the last 7 years as stated by the doctor of Ram Manohar Lohia Hospital. She stated that at the time of taking policy, he was medically examined and was found fit as per the certificate given by Dr.Madan who examined him and certified that he was hale and hearty on 14.07.2006. It has been submitted by her that LIC of India was not justified in not settling the death claim of her husband.

3. Written submissions were placed on record from LIC of India. It has been mentioned therein that deceased life assured had made incorrect statement and concealed the material facts regarding his health at the time of effecting assurance. Therefore, claim was repudiated by the competent authority on 31.03.2009.

   The life assured died on 18.05.2008 due to cough/bronchial asthma after a duration of one year 9 months and 17 days from the date of insurance. The hospital record where the deceased life assured was admitted stated that he was suffering from the disease known as chronic cough and bronchial asthma since 7 years but the deceased life assured had answered the question No.11 a to d of the proposal form pertaining to ailments in Negative and had further stated his health GOOD in question No.11 (i), that is, usual state of health. He did not disclose these facts in the proposal form though he had personal knowledge of the same.

   The representative of LIC who was present during the course of hearing reiterated that the deceased life assured had concealed facts regarding his health while signing the proposal and therefore, the claim is not payable.

4. I have very carefully considered the submissions made by the complainant. I have also perused various documents along with letters placed on record on behalf of the insurer and also the verbal arguments of both the parties during the course of hearing. After due consideration of the facts of the case, I held that the insurer was not justified in repudiating the claim because deceased life assured was medically examined by competent authority before taking the policy and as per his report he was medically fit to get himself insured. No independent evidence have been placed on record by the insurer that the deceased life assured was suffering from bronchial asthma since 7 years. **Accordingly it is held that the death claim is payable and insurer was not justified in repudiating the same merely on the basis of history without any corroboratory evidence as given by Ram Manohar Lohia Hospital where the deceased life assured remained two or three days only before death. The insurer is directed to make the payment of sum assured along with other benefits accrued under the policy to the nominee.**

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.

GUWAHATI

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/012/049/L/10-11/GHY

Mr. K.P. Dasgupta

- Vs -

MetLife India Insurance Co. Ltd.

Date of Order : 06.09.2010

Mr. Joy Dasgupta, son of the Complainant, procured Pol. No. 20070831 from the above Insurer with the date of commencement on 22.07.2009 for a Sum Assured of Rs.10.00 Lacs. The Insured died on 06.11.2009 thereafter the Complainant, being legal heir of the Insured, submitted the death claim being supported by documents and it is alleged that the Insurer has settled the death claim only at Rs. 5.00 Lacs. Feeling aggrieved, the Complainant has approached this forum for redressal of his grievances.

The Insurer has contended in their "Self Contained Note" that while Sum Insured was Rs.10,00,000/-, it was clearly stipulated and accepted by the Insured that in case of death during the 1st year of insurance, 50% of the Sum Insured would be payable.

The Complainant has produced the copy of the policy document which shows that the policy was procured with the commencement date on 22.07.2009. The Complainant has also produced the Death Certificates of the Insured Joy Dasgupta which proves his death on 06.11.2009 due to "Septic Shock, Cardio Pulmonary Failure". The representative of the Insurer has stated that although the Sum Assured was Rs.10.00 Lacs but as per Section 3, clause – 3.1 (Death Benefit) of the policy terms and conditions, if death of the Insured takes place within first year of commencement of the policy, then 50% of Sum Assured or Fund Value would be payable. Since the death of the Insured took place within four months, 50% of the Sum Assured was payable and accordingly Rs.5.00 Lacs was paid. The relevant Section – 3, clause – 3.1 specifies the death benefits payable under the policy. Since the death of the Insured occurred within first year of commencement of the policy, 50% of the Sum Assured was paid as per Clause – 3.1 as Fund Value was found to be less than the said amount. The policy condition (Section – 3 and Clause –

3.1) supports the steps taken by the Insurer in settlement of the claim and I find no deviation being made from the policy conditions. Accordingly, the complaint is treated as closed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/010/058/L/10-11/GHY

Mr. Keshab Mahanta

- Vs -

Reliance Life Insurance Co. Ltd.

Award date = 01.09.2010

Mr. Bipin Mahanta, father of the Complainant, procured the above "Reliance Endowment Plan (Regular) Insurance Policy" bearing Pol. No. 14993326 with the date of commencement on 31.07.2009. While the policy was in force, the Insured died on 05.09.2009. The Complainant, being the son and nominee of the Insured, submitted the claim before the Insurer under the above policy which has been repudiated by the Insurer.

It is contended in the "Self Contained Note" and also in the repudiation letter dated 31.03.2010 that the age given in the proposal form by the Insured was not correct and as per record collected by the Insurer, the Life Assured was aged 75 years of age as on the date of submission of the proposal. Due to misleading the Insurer about his actual age, the claim was found to be not payable.

During hearing, the representative of the Insurer has submitted a copy of the proposal form submitted on 31.07.2009 wherein the date of birth of the Proposer was stated to be 15.04.1957. According to the representative, the said age was admitted at the underwriting stage, considering the report of Gaonburah produced by the Insured and this certificate issued by the Gaonburah was accepted on Non Standard Basis. However, when the claim arose, the date birth of the Insured as stated in the proposal form, was found to be false. According to the Insurer, their Investigator has collected a copy of the voters list, wherein age of the Insured was stated to be 75 years. The age, as per declaration given in the proposal, was admitted to be 50 years whereas voters list discloses the age of the Insured as 75 years as on the date of proposal. Copy of the voters list which was relied upon has also been produced.

It is true that voters list is an important document and age stated therein can be treated to be correct. However, in the instant case, the alleged voters list produced by the Insurer is neither a certified copy issued by the Govt. Authority nor it contained any endorsement from any authority from whom it was collected. This being the position, the document, relying on which the claim was repudiated, is found to be not an authentic document. Hence repudiation of the claim,

treating the age mentioned in the voter list, as correct and disputing the date of birth of the Proposer furnished in the proposal form, appears to be not justified and proper. In view of the above circumstances, the decision of repudiation is set-aside and it is desired that the Insurer shall reconsider their decision and process the claim afresh and take a decision on merit. Insurer was directed to settle the claim within 15 days.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/003/021/L/10-11/GHY

Mrs. Babita Misra Sarmah

- Vs -

Tata AIG Life Insurance Co. Ltd.

Date of Order : 28.06.2010

Mr. Ratul Ch. Sarmah procured the policy bearing No. U220053879 from the Tata AIG Life Insurance Co. Ltd. with the date of commencement on 11.01.2006. While the policy was in force, the Insured died on 16.06.2008 and thereafter the Complainant, being the legal heir and wife of the Insured, submitted the death claim before the Insurer and it is alleged that the Insurer has repudiated the claim and offered only an amount of Rs. 19,569.41 being the payment of account value at the Bid Price on the next valuation date following the company's receipt and approval of notice and proof of death including refund of over payment.

Considering the note of the Insurer and also the contents of repudiation letter, it appears that the claim has been repudiated mainly due to suppression of material facts by the Insured in his proposal dated 10.01.2006 as regards his health condition. It is alleged that while answering to Question No. 4 (c) and 4 (f) of the proposal form, the Insured had suppressed his actual health condition and answered the aforesaid two questions falsely.

During hearing, the Complainant said that her husband was serving in NEEPCO and due to infection of his blood, septicemia developed when he was taken to C.M.C. Hospital, Vellore where he died on 16.06.2008. According to the Complainant, at the last moment, before death of her husband sufferings from Diabetes was detected and prior to that he was not suffering from Diabetes. The representative of the Insurer has stated that the Insured was suffering from Diabetes and Hypertention since last 8 and 12 years respectively which were not disclosed in the proposal form while answering to question No. 4 (c) & 4 (f). According to him, the treating Doctor has confirmed about having "Diabetes Mellitus - Type – II and Hypertension" in his report. The representative has also submitted that the Death Summary which was issued by C.M.C.

Hospital, Vellore also proves that the Insured was having both the above diseases since last 8 and 12 years respectively. According to him, the fact of his sufferings from "Diabetes and Hypertension" were suppressed by the Insured in the proposal form and had it been disclosed, underwriting decision of the Insurer would have been otherwise. The copy of the Proposal Form shows that while answering to question Nos. 4 (c) and 4 (f), the Insured answered in the negative when he was asked to state whether he suffered from "Diabetes and Hypertension". The prescription issued by the treating Doctor, mentioned about sufferings from "Diabetes Mellitus" by the Insured since last 8 years from 07.04.2008. The death summary issued by the C.M.C. Hosptial, Vellore also discloses that the Insured had breathed his last in the Hospital on 16.06.2008 who was "Diabetic" for the past 8 years and "Hypertensive" for the past 12 years from the date of his death. These are the two documents produced by the Complainant and she has categorically answered that she had nothing to say about the findings of the above medical authorities. Apart from that, the Complainant has also admitted in her letter dated 30.05.2009, about sufferings from "Diabetes" by her husband. All the above proves that the Insured was Diabetic since past 8 years from the date of his death on 16.06.2008. The proposal form was submitted before two years of his death wherein he has not disclosed about his sufferings from Diabetes. The suppression of his health condition appears to be material and the Insured intentionally made a wrong statement while filling the proposal form. The Insurer has repudiated the claim considering such suppression of health condition of the Insured which cannot be said to be an irregularity in the settlement process. Thus finding no justified ground to interfere with the decision of the Insurer, the Complaint is treated as closed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/003/021/L/10-11/GHY

Mrs. Babita Misra Sarmah

- Vs -

Tata AIG Life Insurance Co. Ltd.

Date of Order : 28.06.2010

Mr. Ratul Ch. Sarmah procured the policy bearing No. U220053879 from the Tata AIG Life Insurance Co. Ltd. with the date of commencement on 11.01.2006. While the policy was in force, the Insured died on 16.06.2008 and thereafter the Complainant, being the legal heir and wife of the Insured, submitted the death claim before the Insurer and it is alleged that the Insurer has repudiated the claim and offered only an amount of Rs. 19,569.41 being the payment of account value at the Bid Price on the next valuation date following the company's receipt and approval of notice and proof of death including refund of over payment.

Considering the note of the Insurer and also the contents of repudiation letter, it appears that the claim has been repudiated mainly due to suppression of material facts by the Insured in his proposal dated 10.01.2006 as regards his health condition. It is alleged that while answering to Question No. 4 (c) and 4 (f) of the proposal form, the Insured had suppressed his actual health condition and answered the aforesaid two questions falsely.

During hearing, the Complainant said that her husband was serving in NEEPCO and due to infection of his blood, septicemia developed when he was taken to C.M.C. Hospital, Vellore where he died on 16.06.2008. According to the Complainant, at the last moment, before death of her husband sufferings from Diabetes was detected and prior to that he was not suffering from Diabetes. The representative of the Insurer has stated that the Insured was suffering from Diabetes and Hypertention since last 8 and 12 years respectively which were not disclosed in the proposal form while answering to question No. 4 (c) & 4 (f). According to him, the treating Doctor has confirmed about having "Diabetes Mellitus - Type – II and Hypertension" in his report. The representative has also submitted that the Death Summary which was issued by C.M.C. Hospital, Vellore also proves that the Insured was having both the above diseases since last 8 and 12 years respectively. According to him, the fact of his sufferings from "Diabetes and Hypertension" were suppressed by the Insured in the proposal form and had it been disclosed, underwriting decision of the Insurer would have been otherwise. The copy of the Proposal Form shows that while answering to question Nos. 4 (c) and 4 (f), the Insured answered in the negative when he was asked to state whether he suffered from "Diabetes and Hypertension". The prescription issued by the treating Doctor, mentioned about sufferings from "Diabetes Mellitus" by the Insured since last 8 years from 07.04.2008. The death summary issued by the C.M.C. Hosptial, Vellore also discloses that the Insured had breathed his last in the Hospital on 16.06.2008 who was "Diabetic" for the past 8 years and "Hypertensive" for the past 12 years from the date of his death. These are the two documents produced by the Complainant and she has categorically answered that she had nothing to say about the findings of the above medical authorities. Apart from that, the Complainant has also admitted in her letter dated 30.05.2009, about sufferings from "Diabetes" by her husband. All the above proves that the Insured was Diabetic since past 8 years from the date of his death on 16.06.2008. The proposal form was submitted before two years of his death wherein he has not disclosed about his sufferings from Diabetes. The suppression of his health condition appears to be material and the Insured intentionally made a wrong statement while filling the proposal form. The Insurer has repudiated the claim considering such suppression of health condition of the Insured which cannot be said to be an irregularity in the settlement process. Thus finding no justified ground to interfere with the decision of the Insurer, the Complaint is treated as closed.

KOCHI

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-037/2010-11

G.R.Magi

Vs

LIC of India

AWARD DATED 18.06.2010

The complainant's mother had taken a life insurance policy with the complainant as nominee. The life assured died while undergoing treatment for cancer. The claim was repudiated on the ground of suppression of material fact. The complainant submitted that repudiation after 2 years and 3 months after the date of acceptance is against law and natural justice.

The question to be considered is whether there was suppression of material facts and the repudiation is valid and proper.

On verifying the records, the following facts are revealed. The policy commenced on 28.04.2006. The hospital records produced show that the life assured was suffering from carcinoma breast from December 2005. Under final diagnosis and stage [PTNM], it is written as 'right breast stage IV [lung bone]'. After that, there were intermittent consultation and treatment. The proposal was submitted after taking a course of chemo and continuing the treatment. But these facts were not mentioned in the proposal and the answers to the relevant questions in the proposal were given in negative. For life insurance policy, the health conditions are relevant for underwriting. Had those facts been disclosed, the policy would not have been underwritten. Hence the facts suppressed are material facts.

As per Sec.45 of Insurance Act, normally repudiation cannot be made on the ground of suppression of a material fact after expiry of 2 years from the commencement of the policy, but, if the suppression was made fraudulently, the time limit will not be there. Here, the proposal was submitted immediately after a course of chemo and it was well within her knowledge that she was suffering from the disease and she was having the illness. Moreover, the complainant herself has stated as she was having that ailment, but, she secretly took the policy. Hence it is clear that the suppression was made with a fraudulent intention of getting the policy issued in her favour. Hence the repudiation made is correct. The complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-031/2010-11

G.Santhi

Vs

LIC of India

AWARD DATED 22.06.2010

The complainant's husband had taken a life policy on his life. He expired due to acute myeloid leukemia while in treatment. The claim was repudiated by the insurer on the ground that the proposal was made fraudulently along with a fabricated medical report. The complainant submitted that the repudiation is faulty.

The proposal was made on 13.10.2006 and it was submitted along with a medical report dated 13.10.2006 and 'C' form dated 13.10.2006. On considering these 3 documents, it appears that the medical check up was done in India immediately preceding the proposal in the month of October 2006. But the passport entry shows that he had left India and reached UAE on 06.08.2006. Hence the statement in the 'C' form as to departure is false. The complainant herself had admitted that the medical check up was done before his departure from India. Hence it is clear that the policy was obtained on the basis of a fabricated medical report and false statement as to his presence. Such statements were made fraudulently is evident. As the death claim was within 2 years of commencement of the policy, the insurer need not establish that such a fabrication was made with fraudulent intention too. Here in this case, it is evident that it was fraudulent. Hence the complaint is **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-199/2010-11

K.T.Haridasan

Vs

LIC of India

AWARD DATED 07.09.2010

The complaint is as to repudiation of death claim under the policy. The complainant [husband of the deceased], also the nominee under the policy, represented that his wife had taken a policy for Rs.1,00,000/- with quarterly mode of premium payment which commenced on 28.03.2005. The policy lapsed and subsequently revived by payment of arrears of premium, on 24.03.2008. She passed away on 25.06.2008, the primary cause of death being 'sepsis' and secondary cause as 'acute renal failure and metabolic acidosis'. The death claim was repudiated by the insurer on the ground of suppression of material fact in the personal statement of health submitted on revival. The health declaration did not reveal her pregnancy. The last date of mensuration has been mentioned as 15.03.2008 [when she was actually 7 months pregnant]. The revival clause stipulates that revival is possible only within 24 weeks of pregnancy.

On going through the various records submitted before this Forum to adjudicate the matter, though it is established that some material facts were suppressed, the cause of death cannot be co-related with

either pregnancy or delivery. The medical records of the deceased was called for which was thoroughly scrutinized.

Accordingly, **ex-gratia** amount of Rs.50,000/- has been awarded as per Rule 18 of the RPG Rules 1998.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-065/2010-11

P.P.Stenson

Vs

LIC of India

AWARD DATED 12.08.2010

The complainant's father had taken a New Bima Gold Policy on his life. The life assured died within 2 years from the date of commencement of the policy due to cardiac arrest. The claim was repudiated by the insurer on the ground that material facts were suppressed at the time of taking the policy.

On a perusal of the documents submitted, it is observed that the deceased had undergone a major heart surgery in 2004. The employer's certificate also revealed that the deceased was on medical leave from 06.02.2004 to 31.03.2004. On a scrutiny of the proposal form dated 25.10.2006, it is revealed that he has not mentioned anything in the proposal about the treatment and operation and has answered all health related questions in the negative, indicating that he was not having any ailment. It is, therefore, clearly established that the pre-proposal illness has been suppressed in the proposal. Hence the insurer is justified in repudiating the claim. The complaint is, therefore, **DISMISSED.**

LUCKNOW

DEATH CLAIM 09-10(15.2.2010)

Award No.IOB/LKO/125/001/09-10

Complaint No.L-35/21/001/09-10

Smt. Kiran Singh ……..….. **Complainant**

V/s

Life Insurance Corporation of India …… Respondent

This is the complaint filed before this forum by the above named complainant rejecting the claim on the grounds of incorrect replies to questions on personal history under proposal dated 30.04.2005 which was converted into policy no.284265484 on the life of the assured Shivaji Singh. It has been stated by the respondents that they are in possession of indisputable evidence to prove that prior to proposing for insurance the life assured was suffering from chronic Renal Failure and Pulmonary Edema, which was not disclosed at the time of effecting the assurance.

Unfortunately the life assured died of stomach ache after the date of taking the policy. The respondents got conducted their own in house investigation and thereafter repudiated the claim vide letter dated 12.03.2007. The contention of the respondent company is that the deceased had suppressed the fact of renal failure and Pulmonary Edema for last 8 months. The insurer has relied upon the claim form B and B1 of Sir Sunder Lal Chikitsalaya, Varanasi. The complainant on the other hand rigorously stressed that the assured was hale & hearty at the time of proposal and he was also declared fit for his railway job which he got 2-3 months before the date of proposal after thoroughly medical check up by railway authorities. The proposal was accepted on the basis of medical examination.

On a fair assessment of the material on record it is plainly evident that the insurer has not been able to conclusively establish that the life assured was actually sick at the time of proposal. The respondent has not submitted any details of treatment or medicine taken or any prescription report etc. to substantiate their contention that the life assured was actually sick before the date of proposal. The LIC of India cannot call in question the veracity of its own medical examiners Pre Proposal Medical Report and resort to repudiation on the strength of only a vague mention of duration of illness without any supportive corroborative evidence such as doctor's prescriptions, certificate of hospital treatment, diagnostic reports etc.

I, therefore, am inclined to set aside the decision of the respondent and give the benefit of doubt to the complainant and accordingly award full sum assured with attached bones, if any, under the above policy. The complaint is allowed.

DEATH CLAIM 09-10(15.2.2010)

Award No.IOB/LKO/136/001/09-10

Complaint No.L-687/21/001/09-10

Smt. Mithlesh Goel ……. **Complainant**

V/s

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

This is the complaint filed by Smt. Mithlesh Goel against the decision of Life Insurance Corporation of India, Meerut Division rejecting the claim under policy No. 254381555 issued on the life of her son late Vikas Goel on the ground that the life assured under the policy committed suicide within one year from the date of risk of the policy. Hence claim is not payable as per the condition 6 of the policy bond.

The complainant Smt. Mithlesh submitted that her son died due to effect of consuming some poisonous substance. He further stated that the life assured had not consumed the poisonous substance himself but he was beaten and forced to consume the poison by the family members of the wife of the life assured. The claim was rejected by the respondents on the ground that the life assured committed suicide within one year from the date of risk of the policy.

The respondent's representative contented that as per police investigation report the life assured died due to consuming of some poisonous substance whereas the family members of the life assured reported to the police and then the judiciary that their son was actually murdered. They also named the accused on whom criminal proceedings are still pending. However, exact motive and purpose of murder is a matter of investigation by the policy and the same may be established only after the order of the criminal court in which the case is pending. The cause of death is disputed for which a case is under trial in the court of law. Hence, it is not possible for this forum to form any opinion regarding the cause of death of the life assured. Under these circumstances I am disposing off the complaint by confirming the decision of the respondent corporation denying the claim. However the complainant by this order is at liberty to approach this forum directly with in certified copy of the judgement of the session court within two months from the date of final order.

DEATH CLAIM – 09-10(24.11.2009)

Award No.IOB/LKO/87/001/09-10

Complaint No.L-339/21/001/09-10

Smt. Sharda Devi …….…….. **Complainant**

V/s

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

This is the complaint filed by Smt. Sharda Devi against the decision of Life Insurance Corporation of India in respect of claim under policy No. 233342981 issued on the life of late Bal Kishan Gupta issued by D.O. Kanpur. The complainant has expressed his grievance against alleged unfair decision of the respondent company in respect of the policy issued on the life of her deceased husband. It has been stated by the respondents that they are in possession of indisputable evidence to prove that prior the proposing for insurance the life assured was not in good health and also took earned leave on medical grounds on several occasions. He however did not disclose these facts in the personal statement. It has further been held by the respondents that the life assured suppressed material facts in the application for insurance which if disclosed would not have led the company to issue the policy on the existing terms.

On a fair assessment of the material on record it is plainly evident that the insurance has not been able to fulfill the 3 limbs of section 45 of insurance act. The claim has been avoided in a purely mechanical manner on the basis of only a certificate of medical leave taken without any supportive corroborative evidence such as doctor's prescriptions, certificate of hospital treatment, diagnostic reports etc. At the time of personal hearing the complainant reported that the life assured used to take leave sanctioned is not sufficient a proof to repudiate the claim. More ever, the opinion of Divisional Medical Referee is not pertinent here as he never saw the life assured in flesh and blood and hence he is not entitled to give a conclusive opinion regarding the duration of illness about a person whom he never seen, met or examined in person as his opinion is only based upon presumption on the basis of papers produced before him and his medical knowledge. Presumption, however strong cannot substitute the actual proof. Respondent cannot complain of misrepresentation regarding medical leave because they had the means of discovering the truth with ordinary diligence and in this case the insurer was very well in the position to discover the truth by insisting the leave record at the time of proposer or verifying the leave record at the time of accepting the proposal. In the final analysis, I conclude that the repudiation action taken by the insurer appears not to be based on strong and sustainable evidence. I, therefore, am inclined to set aside the decision of the respondent and give the benefit of doubt to the complainant and accordingly award full sum assured with attached bonus, if any, under above policy. The complaint is allowed.

DEATH CLAIM(13.08.2009)

Award No.IOB/LKO/33/001/09-10

Complaint No.L-779/21/001/08-09

Shri Shiv Raj Singh……. **Complainant**

V/s

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

This is the complaint filed before this forum by the above named complainant against decision of the sr. Divisional Manager, LIC of India, Bareilly Division dated 28.01.2008 rejecting the claim of the claimant on the grounds of death of the lady life assured having occurred as a result of committing suicide by hanging herself in her parent's house. Though attracting the provision of clause IV-B, which enables the insurer to avoid liability in the event of death as a result of accident other than accident at a public place within 3 years of commencement of policy subject only to refund premiums paid excluding extra if any.

It is observed that at the time of signing the proposal form life assured has not given her consent for imposition of clause 4b in writing nor it was imposed at the time of underwriting. On the face of the policy bond there is no mention of imposition of Clause IV B. However it was affixed on the face of policy bond as is evident from the office copy of the policy.

In this case the life assured did not give her consent for imposition of clause 4-B neither it was imposed at the time of underwriting of the proposal hence any subsequent imposition of clause 4B is not justified. In my opinion it was the duty of the insurer to obtain the consent for the clause 4B from the life assured and as it is not done the beneficiary is not bound by the terms of clause 4B. Since it is the sole ground of the repudiation of the claim of the policy issued on the life of the late life assured, the decision of the insurer in the instant case is found not to be based on sustainable grounds. As such, I award full sum assured with attached bonus, if any, under the above policy. The complaint is allowed.

DEATH CLAIM(23.3.2010)

Award No.IOB/LKO/146/001/09-10

Complaint No.L-685/21/001/09-10

Shri Vinod Kumar Trivedi ……. **Complainant**

V/s

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

This is the complaint filed by Shri Vinod Kumar Trivedi against the decision of Bajaj Allianz Life Insurance Co. Ltd. in respect of claim under policy no. 0080361295 issued by the respondent company. The complainant has expressed his grievance against the order of the respondents dated 23.12.2007. According to the respondents the life assured had history of carcinoma of right breast which she did not disclose in the personal statement. Had the correct facts been disclosed, the company would not have covered the risk for the above said policy on the same terms and conditions.

In the instant case the death occurred within 5 months 24 days from the date of commencement. It is clear from the death summary of Regency Hospital Ltd. that the life assured had carcinoma of right breast and severe head injury. It is also clear from the case sheets of Tata Memorial Centre dated 05.06.2006 and 19.09.2006 that the life assured had suffered from breast cancer of right breast since these date falls before the date of proposal it postulates that the life assured had the knowledge of her suffering from cancer and suppressed the same at the time of proposal.

The protection of Section 45 is available to the complainant but as these exists clear evidence that the life assured had suffered from the disease before the date of proposal it does not come under the rescue of the complainant and the respondent company has full right to deny the claim under the policy but at the same time it would not be reasonable on the part of the company to forfeit the entire money deposited under ULIP plan as normally people invest in ULIP plan for investment reasons and not for risk purpose. Accordingly I direct the respondent to refund the unit value of the fund standing in the credit of the life assured to the complainant.

MUMBAI

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI-044 (2010 – 2011)

Award No. IO/MUM/A/ 078 /2010 - 2011

Complainant : Shri Vinayak G. Khandekar

V/s.

Respondent : The Life Insurance Corporation of India, Mumbai Divisional Office II

Shri Raghunandan G. Khandekar had taken life insurance policies from LIC of India, Shri Raghunandan G. Khandekar expired on 03.01.2007 due to Heart Attack. His brother Shri Vinayak G. Khandekar, nominee under the policies, submitted his claim to LIC. LIC of India, repudiated the claims under the policies on account of the deceased having withheld material information regarding his health under the policies.

The dispute between both the parties is for the full Sum Assured under the policies. LIC of India has submitted by way of evidence a certificate dated 16.02.2009 from Dr. V.S. Upasini of Indira Nursing Home. wherein it states "This is to certify that Mr. R.G. Khandekar was admitted in my hospital on 02.01.2007 with h/o Pulmonary tuberculosis with acute exacerbation of bronchial asthma. He was a k/c/o Diabetes Mellitus since 3-4 years". However as per the case paper of the Hospital, it is to be noted that there is no mention of the onset of the disease. The deceased life assured was admitted on 02.01.2007 and expired on 03.01.2007. As per the Medical Attendant's Certificate signed by Dr. Vijay V. Vanjari he states that the primary cause of death was "Extreme Pneumonia" and secondary cause was "Heart disease". To the question "How long had he been suffering from the disease before his death", he has answered "15 days". To the question "What was the date on which you were first consulted during the illness", his answer was "24.10.2006 to 01.01.2007". The same doctor, Dr. Vijay V. Vanjari had issued a medical cum fitness certificate dated 08.11.2006 to the deceased life assured who availed sick leave from 24.10.2006 to 09.11.2006. The certificate states "This is to certify that Mr. Raghunandan Khandekar was suffering from fever with uncontrolled diabetes mellitus with allergic bronchitis & respiratory tract infection & he was under my treatment from 24.10.2006. He can attend his duties from 10th Nov.2006".

From all the above documents it could be ascertained that the deceased life assured had suffered from allergic bronchitis and diabetes mellitus. As from the hospital records and certificates produced by the Insurance Company, it is evident that the hospitalizations of the deceased life assured were only after the commencement and revival of the policies. The repudiation of the claim by the Insurer was on the ground that the deceased Life Assured suppressed the fact that he was suffering from diabetes mellitus prior to proposing for insurance and that he had not disclosed this fact. It may be that he was ignorant of the onset of the disease that he might have had before proposing for assurance. The conclusion made by the Insurer in their repudiation letter is purely based on the certificate dated 16.02.2009 given by Dr. V.S. Upasani which is dated much after the date of death of the life assured. The medical cum fitness certificate given by Dr. V.V. Vanjari for medical leave were for the dates 24.10.2006 to 10.11.2006, are dates much after the date of commencement of the policy and revival of the policy.

Except for these certificates, the Insurer has not proved with any cogent evidence that the LA was suffering from Diabetes Mellitus. The Company has failed to provide any evidence by way of any other medical reports, pathology reports, consultation of family doctor, and prescription of any doctor or medical bills prior to issuance of the policies. They have only relied on these two certificates. One more fact that is noticed is that the deceased life assured was a very conscious person taking life insurance policies regularly with moderate life cover from a very young age. There are nine policies taken from

LIC of India from the year 1991, out of which claims under 7 policies have been settled. He has also taken policies from HDFC & ICICI Prudential Life Insurance Company Ltd. Looking to this fact, I find that the deceased life assured had no willful intention of hiding any fact. He may be having diabetes but was not aware of the same till he fell ill in October 2006. Under these circumstances, it may seem that the circumstances will weigh in favour of the claimant. The award is in favour of the claimant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 178 (2009-2010)

Award No. IO/MUM/A/ 174 /2010-2011

Complainant : Smt. Lalita S. Bhosale

V/s

Respondent : LIC of India, Satara Divisional Office

Smt. Lalita S. Bhosale had lodged a complaint at this Forum vide her letter dated 29.05.2010 received by this office on 02.06.2010, against LIC of India, Satara Divisional Office. She stated that she had submitted a claim to LIC under Policy No.943181130 on the life of her Late husband Shri Sampat Narayan Bhosale. She stated that LIC of India repudiated the death claim for the full sum assured. In her letter to this Forum, Smt. Lalita Bhosale states that her complaint against LIC of India is not for the full sum assured but for the bid value under the policy which LIC has refused to pay. She requested his Forum to take up the matter with the Insurer for payment of the Bid Value under the policy. The Forum had taken up the matter with the Insurer vide letter dated 27.07.2010. The Forum has received a letter from LIC of India dated 05.08.2010 informing the Forum that they have already paid the Bid Value of Rs.30,281/- vide cheque No.88302, dated 30.07.2010 under the policy.

As the dispute for settlement of Bid Value under the policy has been settled by the Company, we are treating the complaint as resolved and treating the complaint as closed at this Forum.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 968 (2009-2010)

Award No. IO/MUM/A/ 014 /2010-2011

Complainant : Smt. Lata Laxman Pawar

V/s

Respondent : Life Insurance Corporation of India, Mumbai Divisional Office II

AWARD DATED 22.04.2010

Shri Dilip Laxman Pawar had taken Life Insurance Policies from Life Insurance Corporation of India, Mumbai Divisional Office II. For SA Rs.30,000/- and Rs.50,000/- respectively under plan 14-15 with DOC as 25.6.2002 under both the policies. Both the policies lapsed. The first policy was revived on 3.8.2005 and the second was revived on 14.12.2004.

Shri Dilip Laxman Pawar expired on 20.05.2007 due to Terminal Cardiorespiratory Arrest. The claim was preferred by his sister, Smt. Lata Laxman Pawar. Life Insurance Corporation of India repudiated the claims vide their letters dated 21.04.2008. The policies were revived on 03.08.2005 and 14.12.2004 respectively for the full sum assured on the strength of a Personal Statement regarding health and short medical report**.**

The claim has been repudiated by the Insurer for non-disclosure of the DLA's health at the time of revival of his policies. The Insurer has submitted the medical documents as way of evidence in support of their repudiation of the claims under the above policies. The case papers of J.J. Hospital dated 15.07.2007, states that DLA was a known case of Retroviral disease and had history of Jaundice on and off with Billious Vomitting since 8 years. He had a History of alcoholism and tobacco chewing for 15 years and a known case of seropositive and chronic alcoholic. The communications of Mumbai Port Trust Hospital vide No.H/R-131/E-1562/282, dated 08.04.2008 from Dr. M.M. Kelakr, Asstt. Chief Surgeon of Mumbai Port Trust Hospital reads as below:-

"As per your letter we have to inform you that Mr. Dilip Laxman pawar was first seen on 6th February 2002 in Emergency for Epigastric Pain, Vomiting and radiating pain to back (duration of 2-3 hrs.)

Past history of similar complaints and taking treatment since 19th September 2001 – k/c/o Chr. Alcoholism – stopped since 2 years. His CT Scan done on 07.12.2000 is suggestive of Acute Pancreatitis. His sonography done on Abdomen on 07.02.2002 was suggestive of Sub-Acute Pancreatitis. Patient was treated conservatively with antibiotics and antacids. Patient responded well and discharged on 09.02.2002. He was re-admitted on 15.04.2005 with Acute on Chr. Pancreatitis. He was treated conservatively and discharged on 20.04.2005."

From the facts, it is evident that the deceased life assured had consulted medical men and was undergoing treatment from 6.2.2002 in Mumbai Port Trust Hospital, i.e. before the proposal dates for the above policies and he was hospitalized during the period 15.04.2005 to 20.04.2005 in the said hospital which he did not disclose. Hence the claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 671 (2009-2010

Award No. IO/MUM/A/013 /2010-2011

Complainant : Smt. Bisnadevi Yadav

V/s

Respondent : Life Insurance Corporation of India , Thane Divisional Office

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AWARD DATED 22.4.2010

Shri Dharmdev K. Yadav had taken Life Insurance Policy from Life Insurance Corporation of India, for SA 2.50 lacs with DOC 7.11.2008. He expired on 19.11.2008 due to Malaria & Enteric fever.. The claim was preferred by his wife Bisnadevi Yadav. Life Insurance Corporation of India repudiated the claim stating that the Proposal for assurance dated 27.10.2008 signed by the deceased life assured on 27.10.2008 and submitted to the insurer on 06.11.2008 and it was registered on 07.11.2008. The first premium was remitted on 07.11.2008. The basis for such decision was at the time of proposal for assurance, the life assured was suffering from Malaria & Enteric fever and taking treatment for the same since 04.11.2008 i.e. prior to the date of First Premium Receipt and Registration of the proposal. He had consulted a medical practitioner for the same and had taken treatment from hospital. He did not, however disclose these facts while getting his proposal registered.

The documents on record have been perused. As per the documents submitted, the Life Assured's proposal dated 27.10.2008 was submitted to the Company on 6.11.2008. The policy was completed in green channel on 07.11.2008. The Company repudiated the claim on the grounds of non-disclosure of hospitalization for Enteric Fever with Malaria in Subhadra Hospital from 04.11.2008 to 07.11.2008. The life assured was shifted to Criticare Hospital on 07.11.2008 for better management. He expired on 19.11.2008 and the cause of death given as Febrile Illness with ARDS with Cardio Respiratory Arrest. As per the Medical Attendants Certificate (Claim Form B) and the Certificate of Hospital Treatment dated 02.01.2009, signed by Dr. Santosh M. Rathi, the Doctor. states that Shri Dharmdev K. Yadav was admitted to Criticare Hospital from 07.11.2008 with Fever, Breathlessness and Cough – 4 days. It is also mentioned that the patient was under treatment at Subhadra Hospital. The Diagnosis given was Febrile Illness with ARDS with Cardio Respiratory Arrest. He expired on 19.11.2008. The life assured expired within 12 days of issuance of the policy. As per the proposal form conditions he was bound to inform the Company about his health condition as there was change in his health condition after submission of the proposal form and before issuance of the policy. The policy was issued on 08.12.2008 i.e. after the death of the life assured. The claim was denied.

MUMBAI OMBUDSMAN OFFICE

Complaint No. LI – 750 (2009-2010)

Award No. IO/MUM/A/ 087/2010-2011

Complainant : Hemal Balakrishna Makwana

V/s

Respondent : Aviva Life Insurance Company India Pvt. Ltd.

AWARD DATED 18.05.2010

Shri Balakrishna Manilal Makwana, the life assured under the above policy expired on 28.04.2009 due to Acute Myocardial Infarction and Cirrhosis of Liver. Shri Hemal Balakrishna Makwana, his son, nominee under the policy, preferred the claim to Aviva Life Insurance Company India Pvt. Ltd. The Insurer repudiated the claim stating As per discharge summary from Kamdar Nursing Home and Polyclinic Pvt. Ltd. dated 22.12.2009, the deceased life assured was suffering from Diabetes Mellitus and Hypertension since 14 years. These facts in respect of pre-existing medical ailment were not disclosed in the proposal form.

The documents submitted have been perused. Shri Balakrishna Manilal Makwana had submitted a proposal dated 29.01.2007 to Aviva Life Insurance Company India Ltd. for a Save Guard Unit Linked Policy for a sum assured of Rs.15,00,000/-. The yearly premium was Rs.3,00,000/-. The date of commencement was from 03.02.2007. Shri Makwana expired on 28.04.2009 due to Acute Myocardial Infarction and Cirrhosis of Liver. The claims were preferred by his son Shri Hemal Makwana. The company repudiated the claim on the grounds of non-disclosure of material facts. The company by way of evidence submitted the discharge summary from Kamdar Nursing Home and Polyclinic Pvt. Ltd. where he was admitted from 22.12.2007 to 23.12.2007. The case papers of this hospitalization state that he was suffering from Diabetes Mellitus and Hypertension since 14 years. Both the Hypertension Disorder Questionnaire and Diabetes Questionnaire dated 04.06.2009 signed by Dr. Jitendra S.Ajmera, Consulting Diabettologist, state that diabetes was first diagnosed 3 years back and he had High Blood Pressure 3-4 years back. He has also mentioned that Shri Makwana was on Insulin. This proves beyond doubt that the deceased life assured was suffering from Diabetes and Hypertension prior to the proposal date. The Insurer repudiated the claim on the grounds that the DLA had not disclosed that he was suffering from Diabetes and Hypertension and taking treatment. Before proposing for assurance, the proposer should disclose all material facts about his health and habits in the proposal form. Had he disclosed the correct information, the Insurer would have called for relevant medical reports such as the high blood pressure questionnaire, copies of medical prescriptions for monitoring his BP & Sugar Level. Consultation and prescription papers of the doctors treating him and would have taken appropriate underwriting decision.

However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is fair nor reasonable. The Insurer is entitled to recover all the charges and cost incurred while procuring the policy, managing the fund, and mortality charges but it will be unfair not to refund the fund value as the policy has a component of investment in addition to risk cover. In the facts and circumstances, it will be proper to refund the policy fund value to the claimant as at the time of intimation of death.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 016 (2010-2011)

Award No. IO/MUM/A/ 077/2010-2011

Complainant : Smt. Shashikala Chouhan

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 09.06.2010.

Shri Pradeep A. Chouhan had taken a Capital Unit Gain policy from Bajaj Life Insurance Policy from Bajaj Allianz Life Insurance Company Ltd. for SA Rs.6.00 lacs with annual premium of Rs.30,000/- with a term of 20 years. Shri Pradeep A. Chouhan expired on 12.05.2007 due to Cardio Respiratory Arrest at SAIMS Hospital. The claim was preferred by his mother, Smt. Shashikala Chouhan. Bajaj Allianz Life Insurance Company Ltd. repudiated the claim on account of the deceased having withheld correct information regarding his health at the time of effecting the assurance. On receipt of the death intimation for the above policy, the Insurer conducted investigations which confirmed that the deceased life assured was a diagnosed case of alcoholic liver disease with pulmonary hypertension with history of ethanol abuse. The company also stated that it has come to their knowledge the assured had a history of jaundice since 3 years back and was a known case of grade 3 hepato encephalopathy. However the deceased life assured did not disclose the details of his health condition and the habit of consuming alcohol in the proposal form dated 23.05.2007. The company stated that had these facts been disclosed the company would not have covered the risk for the policy on the same terms and conditions.

The documents submitted to this Forum have been perused. The policy has resulted in an early death claim and hence investigations were carried out by the Insurer The Company has submitted the Medical Attendant's Certificate dated 19.06.2009 which has been completed by Dr. Vijay Mohare of SAIMS Medical College & Hospital who was the Doctor who treated the deceased in his last illness. This certificate shows the primary cause of death as Cardio Respiratory Arrest and the Secondary cause of death as Acute Chronic Liver disease, Portal Hypertension, Hepato Encephalopathy grade 3 and Hepatic Renal Syndrome. The Company has provided the Indoor Case Papers from Kaushalya Medical Foundation Trust Hospital that states that the deceased was admitted on 12.06.2007 to 15.06.2007. The case papers mention the presenting complaints as "Ethanol abuse diagnosed c/o ALD with PHT. Admitted with hematermesis / Melena. Upper abd discomfort. No Spike / altered Sesorium". The Provisional diagnosis is stated as "ALD with PHT of Variceal bleed". These documents prove beyond doubt that the life assured had major health problems before proposing for insurance and before issuance of policy. He had not disclosed the consumption of alcohol in the proposal form and

therefore there was deliberate suppression of material facts regarding his habits and health, thereby the insurer was denied an opportunity to take appropriate underwriting decision before issue of policy.

In view of this legal position Bajaj Allianz Life Insurance Company Ltd. cannot be faulted for repudiating the claim on the ground of making mis-statements and withholding material information regarding health and habits of the life assured at the time of proposal. However, the forum observes that the policy is under a Unit Linked Plan where the risk of investment is fully borne by the insured. Hence, not withstanding the fact, that suppression of material fact which has a bearing on the risk to be covered is established, the insurer's decision of forfeiting all monies paid is not reasonable. It would therefore be fair to refund the fund value acquired as on the date of intimation of death of the Life Assured as the policy has a component of investment in addition to risk cover.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 416 (2009-2010)

Award No. IO/MUM/A/ 114 /2010-2011

Complainant : Shri Balasaheb D. Vishwekar

V/s

Respondent : Life Insurance Corporation of India, Aurangabad Division

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AWARD DATED 6.7.2010

Shri Balasaheb Dattatraya Vishwekar had taken a LIC Policy for his minor son Master Dhiraj Balasaheb Vishwekar for SA Rs.50,000/- with DOC 22.9.2006.

Master Dhiraj Balasaheb Vishwekar the life assured expired on 13.03.2008 due to RHD with Cardio Vascular failure i.e. after 1 year 5 months 21 days thus resulting in an early claim. LIC repudiated the claim on account of the complainant having with held correct information regarding the health of his son at the time of effecting the assurance.

The documents on record have been perused. As per the Medical Attendant's Report (Claim Form B) and Certificate of Hospital Treatment (Claim Form B-1) signed by the Medical Officer, General Hospital Osmanabad, states that Master Dhiraj Vishwekar was admitted to the hospital on 12.03.2008 and expired on 13.03.2008. It is mentioned that he was a known case of RHD with TOF, dyspnea, breathlessness, peripheral cyanosis and he was suffering from this disease since birth. As per the case papers of the hospital he was a known case of RHD, 2 D Echo s/o 24.04.1994 diagnosis is Double outlet right ventricle with with compre a-v canal defect. As per the case papers from Rural Hospital,

Washi and certificate from Dr. R.V.Galande, he was admitted on 05.03.2008 to 09.03.2008 for Fallots Tetralogy. As per the medical check up card carried out by his school in 2006-2007 states that the DLA was diagnosed as RHD.

From the above facts, it is evident that the proposer had suppressed material information and made misstatement regarding the health of his son at the time of proposal. The claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI- 998 (2009 - 2010

Award No. IO/MUM/A/ 152 /2010 - 2011

Complainant : Smt. Devki Nandlal Pidwani

V/s.

Respondent : The Life Insurance Corporation of India, Thane Divisional Office

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AWARD DATED 30.7.2010

Shri Nandlal Devanand Pidwani had taken life insurance policy from LIC of India, for SA Rs.1.00 lac with DOC 30.6.2007 under Money Plus plan. He expired on 11.11.2008 due to Acute Myocardial Infarction i.e. within 1 year 4 months and 11 days. His wife Smt. Devki Nandlal Pidwani submitted her claim to LIC. Which was repudiated on account of the deceased having withheld correct information regarding his health at the time of effecting the assurance.

The dispute between both the parties is for the full Sum Assured under the policy. As per the Medical Attendants Report (Claim forum B) signed by Dr. Hemant Naresh T, he states that the deceased life assured expired at home on 11.11.2008 due to Cardio Respiratory Arrest. He has stated that the DLA was under his treatment for Hypertension from one month i.e. from 10.10.2008 with symptoms of head ache, giddiness, and breathlessness on exertion. From the Certificate of Treatment / Consultation signed by Dr. Ashok M. Parwarni, he states that the deceased life assured was his patient since last 4 years. He was consulted on 25.10.2008 for fever, cold and cough, loose motion and acidity and pain in abdomen. The consultation papers given by Dr. Ashok M. Parwani is dated from 17.06.2004 where on various occasions the deceased life assured has taken treatment from him for various ailments like cold & cough, sneezing, fever, acidity, cramp in legs, loose motions etc. During the period 17.06.2004 till 10.01.2007, there is no mention that he was taking treatment for Hypertension. Only on 10.01.2007, Dr. Parwani was consulted for Hypertension, where the DLA was prescribed ayurvedic medicine for 2 days. On 14.01.2007 there is a remark by the Doctor stating “Pt. feels better”. He has thereafter taken treatment from him on 16.03.2007, 12.06.2007 &

16.06.2007 and no where the doctor has mentioned Hypertension or treated the DLA for Hypertension. During the hearing, the complainant informed that her husband must have suffered Hypertension due to the loss of their son-in-law. Her daughter was only 28 years old and she had lost her husband which was a great shock to them. She stated that it was natural for anyone to get blood pressure during this period of grief, but this was only a temporary phase.

LIC has failed to produce any concrete evidence that the deceased life assured was suffering from Hypertension before proposal of the policy. LIC has totally relied on the consultation paper of the family doctor where he was treated for Hypertension only for 2 days on 10.01.2007. It should be mentioned here that before issue of the policy the DLA had undergone medical examination from LIC's panel doctor and the medical examiner's confidential report states that he was healthy. Even his Blood Pressure readings recorded by LIC's medical examiner is 124 / 84, which is in the normal range. The repudiation of the claim by the Insurer was on the ground that the deceased Life Assured suppressed the fact that he was suffering from Hypertension prior to proposing for insurance and that he had not disclosed this fact. The conclusion made by the Insurer in their repudiation letter is purely based on the consultation paper of Dr. Parwani dated 10.01.2007. Except for this consultation paper LIC has not proved with any cogent evidence that the LA was suffering from Hypertension. The Company has failed to provide any evidence by way of any other medical reports, pathology reports, or medical bills prior to issuance of the policy. Under these circumstances, the Forum feels the repudiation of the policy monies in full is not just and fair and since the circumstances of the claim weigh in favour of the claimant, the Forum concludes that the repudiation of the claim by LIC is not tenable

MUMBAI INSURANCE OMBUDSMAN OFFICE

Complaint No. LI - 644 (2009-2010)
Award No. IO/MUM/A/ 154 /2010 - 2011
Complainant : Shri Jaywant R. Patil
V/s.
Respondent : Life Insurance Corporation of India, Nasik Divisional Office

AWARD DATED 2/08/2010.

Smt. Sunanda Jaywant Patil, had taken life insurance policy from LIC with SA Rs.50,000/- for term of 16 yrs with DOC 11/03/2005.

Smt. Sunanda Jaywant Patil expired on 18.11.2007 due to Thermal Burns. Shri Jaywant R. Patil, husband of the deceased life assured preferred a claim to LIC for the full Sum Assured as also the Accident Benefit. However, LIC offered refund of premiums paid under the

policy and denied the sum assured with bonus. The letter mentions that the refund of premiums is done as per the restrictive clause 4(b) which has been imposed in the policy.

The scrutiny of the documents reveals that Life Insurance Corporation of India Nasik Divisional Office had issued a life insurance Policy No. 961058883 to Smt. Sunanda Jaywant Patil for sum assured Rs.50,000/- under plan & term 14-16 (Endowment with Double Accident Benefit). The Half-yearly premium amount was Rs.1643/-. The date of proposal was 10.03.2005 and date of commencement of the policy was 11.03.2005. LIC has accepted the case after conducting a pre insurance medical examination of the life to be insured and accepted the case at normal rates with accident benefit but subject to restrictive clause 4(b).

The Deceased Life Assured in the proposal form has stated her occupation as "Housewife and Agriculture". Her age at the time of proposing for assurance was 29 years and this was her first insurance. Her husband Shri Jaywant R. Patil has an insurance policy for Rs.50,000/- with LIC. It is seen that as per the underwriting procedures of LIC, proposals on the lives of females who are housewives, is accepted with the restrictive clause of 4(b) which reads as below:-

"Notwithstanding anything within mentioned to the contrary it is hereby declared and agreed that in the event of death of the life assured occurring as a result of intentional self injury, suicide or attempted suicide, insanity, accident other than an accident in a public place or murder at any time on or after the date on which the risk under this policy has commenced but before the expiry of three years from the date of this policy, the Corporation's liability shall be limited to the sum equal to the total amount of premiums (exclusive of extra premium, if any, under this policy without interest). Provided that in case the life assured shall commit suicide before the expiry of one year reckoned from the date of this policy, the provisions of the clause under the heading "SUICIDE" printed on the back of the policy shall apply".

A reading of the clause will indicate that the Corporation has taken a proactive step to protect itself against the possibilities of making a claim payment where the death of a female who is a housewife happens under questionable, doubtful or suspicious circumstances within 3 years from the commencement of the policy. The Forum is able to relate this decision of LIC to the cases of dowry harassment deaths which are happening in this country and also the possibility of wrongful acts of murder committed by the male members of the family and particularly the husbands in order to get the benefits under a policy of insurance issued on the life of wife. Past experiences in this country have shown that in a male dominated society, the female is at a disadvantage, particularly in the lower strata of the society and it is quite fair that a prudent insurer takes care of claims arising out of such barbaric acts of killing one's own wife. Hence the Forum is of the opinion that this restrictive clause of not paying the full policy

monies and restricting it to refund of premiums paid is to be employed with a lot of diligence and care by the Insurer.

In the case of death of Smt. Sunanda Jaywant Patil, the police reports and medical attendant's certificate establish that she had died due to burns while attending to her work in the kitchen. No direct or circumstantial evidence has been brought into the case where the events leading to the death of Smt. Patil points out to suspicious circumstances of death or any involvement of the husband of the deceased life assured. The documents submitted to the Insurer establish the fact that the death of Smt. Patil is due to burns sustained in the kitchen. Besides LIC has not produced any evidence of any criminal case being registered against the husband of Smt. Patil, which may lead one to believe that there is something suspicious in the circumstances leading to the death of the life assured. Even assuming that the deceased life assured has attempted suicide, the policy has run for a period of more than 2 years and 8 months and restriction on suicide clause is not operative.

Based on the facts presented to the Forum, the Forum feels that the decision of LIC to invoke the restrictive clause 4 (b) and to refund only premiums paid is not fair and just. The documents and facts brought before the Forum clearly highlights the fact that the death of the deceased life assured has not taken place as a result of intentional self injury, suicide or attempted suicide, insanity or murder. As established by the Police Report and the Certificate of the Sub. Divisional. Executive Magistrate that clearly state that Smt. Sunanda Jaywant Patil died due to burns and her death has been classified as an accidental death due to burns. Hence the decision of LIC to refuse payment of the full sum assured with bonus with double accident benefit under the policy in question and refunding only the premiums paid by invoking the restrictive clause 4(b) is intervened by the following Order. LIC is directed to settle the full sum assured with bonus alongwith double accident benefit to the nominee under Policy No.961058883 on the life of Late Smt. Sunnanda Jaywant Patil..

MUMBAI OMBUDSMAN CENTRE
Complaint No. LI - 569 of 2009-2010
Award No. IO/MUM/A/ 155 /2010 - 2011
Complainant: Smt. Smita Laxmikant Deshpande
V/s
Respondent: Bajaj Allianz Life Insurance Co. Ltd.

AWARD DATED 2.8.2010

Shri Laxmikant Deshpande had taken a Unit Gain Plus Gold Life Insurance policy from Bajaj Allianz Life Insurance Company Ltd. The SA

was Rs.1.20 lacs with DOC 18.1.23008. Shri Laxmikant Deshpande expired on 03.01.2009 i.e. within 11 months and 15 days of taking the policy thereby resulting in an early claim.

Smt. Smita L Deshpande submitted a claim to the Company. The Company repudiated the death claim on grounds of non-disclosure of material facts. The Company stated that the deceased life assured had history of Diabetes Mellitus since 4-5 years and recurrent ascites. These facts known to the deceased life assured were not disclosed in the proposal form .

The Company declined the claim on the grounds of non-disclosure of material facts prior to proposal. They have by way of evidence provided a certificate from Dr. Gurdhar S. Panpalia of Devki Nursing Home, Akola. He states that "Shri Laxmikant Deshpande was admitted as case of cirrhosis of liver with portal hypertension with G1 bleed on 27.12.2008. He received supportive blood transfusion, octroid, In fluids and diabetes management. He was referred to Nagpur on 30.12.2008 for further management". The case history papers along with the statement of Death Summary issued by Orange City Hospital & Research Institute, Nagpur, where Shri Laxmikant Deshpande was admitted on 03.01.2009 and the cause of death stated is "DM with HbsAg related cirrhosis of liver with PH with coagulopathy with GI bleeding with Cardio Respiratory Arrest". The hospital death summary makes a mention as - "A 45 yrs. Old gentleman was k/c/o DM since 4-5 years. He was k/c/o HbsAg related cirrhosis of liver with portal hypertension. One and half year back patient had recurrent ascites. Investigations revealed HBsAg related cirrhosis of liver with portal hypertension was taking treatment for the same. One weak prior to admission, patient had hematemesis and underwent UGI endoscopy at Akola and band ligation was done. But he had continuous malena and hence was shifted to Nagpur. He was seen by Dr. Bhandarkar. UGJE done – No e/o UGI bleed. Patient had received multiple blood and blood product transfusions". The Diagnosis given is "K/c/o DM with HbsAg related cirrhosis of liver with portal hypertension with coagulapathy with upper GI bleed (massive) with Cardio Respiratory Arrest".

From all the above documents it could be ascertained that the deceased life assured had expired due to DM with HBsAg related cirrhosis of liver with cardio respiratory arrest. However, from the hospital records and certificate produced by the Insurance Company, it is evident that the hospitalizations of the deceased life assured were only after the commencement of the policy. The repudiation of the claim by the Insurer was on the ground that the deceased Life Assured suppressed the fact that he was suffering from diabetes mellitus 4-5 years and recurrent ascites prior to proposing for insurance as recorded in the case papers of Orange City Hospital and Research Institute, Nagpur.

The Forum notes that the policy issued to the deceased life assured is a Unit Linked Policy and in a Unit Linked Policy the risk on the returns of investment is fully borne by the life assured. Bajaj Allianz Life Insurance Company Ltd. was directed to settle an amount of Rs.30,000/- inclusive of Fund Value on ex-graia basis.

MUMBAI INSURANCE OMBUDSMAN

Complaint No. LI – 900 (2009-2010)

Award No. IO/MUM/A/ 159 /2010-2011

Complainant : Shri Sachin S. Patil

V/s

Respondent : Life Insurance Corporation of India, Kolhapur Divisional Office

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AWARD DATED 3/08/2010.

Smt. Akkatai Rajaram Patil had taken a Life Insurance Policy from LIC with SA Rs.40,000/- with DOC 28.11.2000. the polcy lapsed on 28.11.2001 and was revived on 26.2.2005. Smt. Akkatai Rajaram Patil expired on 13.01.2007. The claim was preferred by her nephew, Shri Sachin Sambhaji Patil as the nominee under the policy. The Insurer, Life Insurance Corporation of India repudiated the claim vide their letter dated 31.03.2009 stating that the deceased life assured has suppressed material facts regarding her health at the time of reviving the policy on 26.02.2005. The revival has been set aside by LIC and since the policy has not acquired any paid up value on the date of revival, LIC has held that no monies are payable under the said policy.

Unfortunately Smt. Akkatai Rajaram Patil expired on 13.01.2007 which resulted in the policy being an early claim after revival. Accordingly, investigations were carried out by LIC of India where they have produced a certificate dated 23.03.2009 signed by Dr. Y.B. Patil from the Kolhapur Institute of Orthopedic and Trauma. Dr. Y.B. Patil states that "Mrs. A.R. Patil was examined in this hospital on 16.02.2005 on OPD basis and was referred to Dr. Nahnil Sase at Miraj Mission Hospital for further treatment". As per the OPD papers No. S 81873, dated 18.02.2005 of Wanless Hospital, Miraj Medical Centre, Miraj. Smt. Akkatai Patil had consulted Dr. N. Sase. The History and Physical examination recorded state "c/o unable to get up from sitting position, unable to walk properly – 5-6 months. Muscular spasms / cramps off & on. The patient was well 3 years back when she had a hysterectomy following when she started having muscular aches/pains/spasms/cramps. H/o hot flushes, irritability, angry, sadness of mood. She has also developed weakness of the parapinal and unable to sit upright for long time. Unable to get up from sitting position, unable to raise her hand over her head. H/o slipping object from hands, unable to carry heavy loads, unable to climb stairs without support, h/o

radicular pain while sneezing. She also has spasms on her finger. She has had an Hysterectomy – 3 year back.. Married – No issue." Smt. Akktai Patil was admitted from 25.10.2005 to 27.10.2005 at Jehangir Hospital. As per the discharge summary of the hospital, the diagnosis stated is "Ant. horn cell lesion, motor neuron disease, progressive muscle atrophy". The chief complaints mentioned was "45 years female came with c/o difficulty in walking and also c/o backache since 1 year. There is also a mention "Patient was apparently alright 1 year back when she started getting weakness in lower limb which was progressive in nature and she had difficulty in walking and also difficulty in getting up from sitting or squatting position since last 2 months. She is unable to walk with support also. No H/O bowel & bladder complaints, not k/c/o DM & HTN".

The Forum observes that at the time of proposing for insurance Smt. Akkatai Patil has been examined by the authorized medical examiner of LIC and the insurance was given. It is also noted that the policy was allowed to lapse by non payment of premiums right after commencement of the policy and the policy was revived on 26.02.2005 by paying 4 yearly premiums along with interest. It is also seen that even at the time of revival, the life assured was examined by an authorized medical examiner of LIC and based on the findings, the revival was done by imposing an extra premium. The charging of extra premium itself indicates that the personal health of the life assured had deteriorated as brought out by the medical examination and LIC had to charge an additional premium to cover the risk. It is pertinent to note that revival has been done just after 10 days after consulting Dr. Y.B. Patil on 16.02.2005. This action of the deceased life assured leads us to believe that she has made a deliberate attempt to revive the policy so that the risk cover can be enjoyed and that too by paying additional premium. While doing so, the deceased life assured has unfortunately failed to mention about her true health condition to LIC. Also the medical examination done by LIC' authorized medical examiner has not revealed full facts about the real health condition and the death has happened within 2 years from the date of revival.

A policy of insurance is a Contract of Utmost Good Faith and revival of a life insurance policy is also "de novo" in the sense that the contract starts afresh and hence it is mandatory on the part of the life assured to be truthful to the insurer. In the case of Smt. Akkatai Rajaram Patil, unfortunately, she has suppressed the facts about her treatment with Dr. Y.B. Patil and thus she had committed a breach of contract. In view of the above, LIC cannot be faulted for denying the policy monies to the claimant Shri Sachin S. Patil.

However, the Forum observes that the total duration of the policy from the date of commencement till date of death is about 6 years and at the time of revival 4 yearly premiums @ Rs.2566/- alongwith extra premium and interest has been paid. The death has also happens after 1 year 10 months 17 days from the date of revival. Hence taking a humanitarian view, the Forum directed LIC of India to pay an amount of Rs.10,000/- on ex-gratia basis to the nominee under the policy. . .

Award No. IO/MUM/A/ 184 /2010-2011

Complainant : Shri Vinod Indarlal Ramdhami

V/s

Respondent :Life Insurance Corporation of India, Aurangabad Divisional Office

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AWARD DATED 18.8.2010

Smt. Ramkuwarbai Indarlal Ramdhami had taken Life Insurance Policy from LIC of India, with SA Rs.50,000/-. The DOC was 14.3.1998. the policy lapsed on 14.6.2004 and was revived on 28.1.2005. Smt. Ramkuwarbai Indarlal Ramdhami expired due to Inferior Wall Myocardial Infarction on 11.10.2006 i.e. within 1 year 8 months 13 days after revival of the policy. LIC repudiated the claim stating that the deceased life assured has suppressed material facts regarding her health at the time of reviving the policy.

The Forum observes that the claim has been repudiated by LIC for non-disclosure of the DLA's health at the time of revival of her policy. LIC has submitted documents in the form of a certificate of Hospital Treatment and Discharge Card of Medical College & Hospital, Aurangabad, where Smt. Ramkuwarbai was admitted on 29.09.2006 with complaints of Chest Pain, Sweating and Breathlessness since 3 days. The Diagnosis arrived at was "k/c/o DM with Inferior Wall Myocardial Infarction with Diabetes Mellitus and Hypertension". The past History states as "K/c/o DM with HTN since 10 years and on Tablet" and the history was reported by the patient herself.

The Forum also notes that at the time of proposing for insurance Smt. Ramkuwarbai Ramdhami was 42 years old and had a tailoring shop with a family income of Rs.48,000/- per annum. At the time of proposal she has been examined by the authorized medical examiner of LIC and the insurance was given. It is also noted that the policy was allowed to lapse by non payment of premiums due from 14.05.2004 and the policy was revived on 28.01.2005 The revival was done under the special revival campaign carried out by LIC. The duration of the policy from date of commencement to date of lapse is 5 years and 3 months and the duration of the policy from date of commencement to date of death is 8 years 6 months and 27 days.

The repudiation of the claim by the Insurer was on the ground that the deceased Life Assured suppressed the fact that she was K/c/o DM with HTN since 10 years and on Tablet" as recorded in the Certificate of Hospital Treatment and Discharge Card of Medical College & Hospital, Aurangabad. Except for this the insurer has not produced any other documents as evidence that the LA was suffering from these ailments and was taking treatment prior to the proposal of the policy. The Company has failed to provide any evidence by way of any other medical reports, pathology reports, consultation papers of the family doctor, or medical prescription of a doctor or medical bills prior to issuance of the policy.

The Forum notes that the deceased life assured was aged 48 at the time of revival of the policy. The case papers of the hospital mentions about the presence of Diabetes Mellitus and Hypertension. The incidence of Diabetes Mellitus & Hypertension is a life style disease and it is

quite common and India as a country has a sizable population affected by these diseases. In all probability, the deceased life assured must have had diabetes & hypertension and taking treatment for the same. The existence of these diseases should have definitely resulted in the deceased life assured consulting medical men before the date of revival but there are no documentary evidences to the same when the insurer chose to repudiate the policy monies. The insurer should have undertaken a more detailed investigation and based on valid documentary evidence of medical treatment taken before date of revival, should have repudiated the claim.

. In the instant case, the deceased life assured Smt. Ramkuwarbai Ramdhami had not disclosed the incidence of diabetes mellitus and hypertension at the time of proposal and also at the time of revival. The death has happened on 11.10.2006, barely after 1 year and 8 months and 13 days from the date of revival. I am constrained to observe that LIC has not been able to establish that the suppression of the existence of diabetes and hypertension was intentional and fraudulent and the deceased life assured willfully and knowingly suppressed the same to get an unfair advantage of the policy. In my opinion this should be established by the submission of concrete evidence of treatment by medical men before the date of proposal/ date of revival and in this case no such documentary evidence has been produced by LIC to substantiate their decision of repudiating the policy monies. LIC of India was asked to settle the full claim.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 626 (2009-2010)

Award No. IO/MUM/A/ 183 /2010-2011

Complainant : Smt. Shilpa Kiran Shinde

V/s

Respondent : Life Insurance Corporation of India , Kolhapur Divisional Office

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AWARD DATED 18/08/2010

Shri Kiran Pandurang Shinde had taken a Life Insurance Policy from LIC Money Plus Policy (Unit Linked) with SA Rs.75,000/- with term 16 years with DOC 19/04/2007. The life assured expired on 03.05.2008 due to Cancer of the cheek. The claim was preferred by his wife Smt. Shilpa Kiran Shinde. LIC repudiated the claim giving the reason that the life assured had with held correct information regarding his health at the time of effecting the assurance.

As per the Certificate of Hospital Treatment signed by Dr. Sanjay Deshpande, MS (Gen Surgery), Prerana Hospital Ltd., Kolhapur, the Doctor states that Shri Kiran Pandurang Shinde was admitted to the hospital on 08.04.2008 with complaint of Septicamic Shock, Rt. Cheek. The history of the patient at the time of admission was Rt. Cheek (buccal mucosa), Rt commando radical neck dissection. The diagnosis arrived was Septicaemic shock. He was discharged on 14.04.2008. As per the Medical Attendant's Certificate signed by Dr. Sanjay Deshpande, the primary cause of death is stated as "Carcinoma of cheek and secondary cause of death is stated as "bleeding". To the

question – How long had he been suffering from this disease before his death? – the answer states was "One year". The Kolhapur Oncology Centre case papers dated 17.07.2007 state the Final Diagnosis as "Ca Buccal Mucosa" and the surgery was performed of "Right RMF commando with right RND with PMMC flap" on 25.07.2007 and was referred radiotherapy and chemotherapy. Dr. Girish Khandeparkar, Physician & Surgeon of Amey Clinic, Kholapur, has issued a certificate dated 26.03.2009 stating that he has treated Shri Kiran Pandurang Shinde for Stomatitis on 01.12.2006, 27.12.2006, 16.01.2007 and 10.02.2007.

The records of Prerana Hospital Ltd., Kolhapur where the deceased life assured was treated by Dr. Sanjay Deshpande, during the period 08.04.2008 to 14.04.2008, mentions about the complaints of "Septicamic Shock, Rt. Cheek" and the history recorded refers to the "Rt. Cheek (buccal mucasa), Rt commando radical neck dissection" which points out to the surgery performed at Kolhapur Oncology Centre on 25.7.2007. .The records also clearly mention that the cause of death relates to Carcinoma of cheek and bleeding. The various treatments taken by the deceased life assured and the cause of death leads to the fact that the deceased life assured was suffering from inflammation of the mouth and had consulted Dr. Girish . Khandeparkar on various occasions. Obviously the illness turned to be a serious one of Carcinoma of cheek and the death occurred on 03.5.2008. The death has occurred within a period of 1 year and 14 days from the date of commencement of the policy.

It is clearly established that he has committed a breach of contract and hence LIC cannot be faulted for repudiation of the sum assured under the policy and paying only the bid value.

MUMBAI OMBUDSMAN CENTRE
Complaint No.LI-144 (2010 – 2011)
Award No.IO/MUM/A/ 213 / 2010 - 2011
Complainant : Shri Sunil B. Dhobale
V/s
Respondent : Life Insurance Corporation of India, Thane Divisional Office.

AWARD DATED 1.09.2010

Smt. Bharati Sunil Dhobale had taken 2 LIC Policies with SA Rs.50,000/- respective under Bima Gold plan. The policies lapsed in 2007 without acquiring paid up value. The policies were revived in 2/2008. Smt. Bharati Sunil Dhobale expired on 05.02.2008 due to Septicemia due to burns i.e. after 3 days after revival.

. Shri Sunil B. Dhoble, husband of the deceased life assured, submitted his claim under the above policies. LIC of India repudiated the claims stating that the policies had lapsed due to non-payment of the premiums due 14.01.2007 under Policy No.923495153 and premiums due 23.03.2007 under Policy No. 923334524 acquiring Nil paid up value. They stated that the policies were revived on 02.02.2008 for the full sum assured on the strength of personal statement regarding health.

The Company however submitted evidence that she was hospitalized on 11.01.2008 due to burns by stove, i.e. prior to the date of revival. The scrutiny of the documents reveals that Smt. Bharati Sunil Dhobale expired on 05.02.2008 due to burns. According to a Certificate by Siddhant Hospital & ICU, dated 18.02.2008, signed by Dr. A. R. Choudhury, he states that Smt. Bharati Dhobale was admitted from 11.01.2008 to 30.01.2008 for superficial to deep burns of about 40% to 45% and thereafter transferred to Sion Hospital for infection of wounds which was not getting controlled for further management. According to the Medical Attendant's certificate signed by Dr. V.S. Bandewar, Resident Doctor of Dept. of Forsenic Medicine, Grant Medical College and J.J. Hospital, states that Smt. Bharati Sunil Dhobale was admitted to Sion Hospital on 30.01.2008. Prior to this she was treated by Dr. A.R.. Choudhury of Siddhant Hospital, Ambernath. She expired on 05.02.2008 at Sion hospital due to Septicemia due to burns. The Post Mortem examination was carried out by Dr. V.S. Bandewar himself and the cause of death after Post Mortem was "Septicemia due to burns".

As per the FIR and Jabab filed by Shri Sunil Bhimrao Dhabale on 05.02.2008 to Police Authorities, Sion Hospital, he stated that on 11.01.2008 his wife Smt. Bharati Sunil Dhobale was in the house and he had gone out for his business. The DLA, Smt. Bharati Dhobale kept water on burning stove and she bent to remove the water and she caught on fire. She was taken to Dr. Chaudhuri's hospital, Ambernath. She was taken to Sion Hospital for further treatment on 30.01.2008 and expired on 05.02.2008 in Sion Hospital. Shri Dhobale stated that it was accidental death and has no doubt against any one for such accidental death.

The documents presented to the Forum clearly establishes the fact that the policies were revived on 02.02.2008 while Smt. Bharati Dhobale was in Sion Hospital in a critical condition and was taking treatment in the hospital on the date of revival which was not disclosed in the Personal Statement regarding health. She expired on 05.02.2008 i.e. 3 days after the revival of the policies. The claim was denied.

MUMBAI OMBUDSMAN OFFICE

Complaint No. LI – 616 of 2009-2010

Award No.IO/MUM/A/ 240 /2010 – 2011

Complainant : Smt. Sharda Kashinath Kukde

V/s.

Respondent : The Life Insurance Corporation of India, Nagpur Divisional Office

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AWARD DATED 13.09.2010

Shri Kashinath Marotrao Kukde had taken a Money Plus (Plan 180 18) life insurance policy from LIC for SA Rs. 1.00 lac with DOC 30.3.2007. He expired due to Heart failure on 25.4.2007 i.e.

within 25 days resulting in an early death claim LIC repudiated the claim stating that the deceased life assured withheld material information regarding his age at the time of effecting the assurance. The basis for such decision was at the time of proposal for assurance dated 28.03.2007, he had declared his date of birth as 01.07.1960 and age as 47 years. However, they produced indisputable proof to show that Late Shri Kashinath Marotrao Kukde was 63 years old at the time of proposing for insurance. They stated that had he mentioned the correct date of birth and age, they would have called for medical reports and it would have affected the underwriting decision. The Insurer stated that the life assured had deliberately suppressed this material fact related to his age and did not disclose any information regarding his age.

The documents submitted by the Insurer as to the correct proof of age of the deceased life assured. The Life Assured was employed in Nagpur Improvement Trust, Nagpur. They have produced a copy of the Service Book Record from Nagpur Improvement Trust which shows the date of birth of Shri Kashinath Marotrao Kukde as 01.07.1944 and the date of retirement as the year 2002. This proves that the life assured had already retired from services and was 63 years old when he proposed for insurance. A copy of the Driving License of Shri Kashninath Kukde, issued by R.T.O., Nagpur, showing the period of validity of the License from 16.02.1987 to 15.02.1992. This means the life assured was a major as on the date of issue of the license. If we take his birth of date as 01.07.1960, he would be a minor as on the date of issue of the license and the R.T.O. does not issue license to minors. These are indisputable proofs that the life assured had given wrong date of birth in the proposal form. The service records and driving license are indisputable proof of his correct age. Thus the contention of the Insurer for under statement of age by 13 years is in order.

The Insurer has also provided a certificate dated 25.04.2007 issued by Dr. Jayant P. Pande, Neurologist, Pande Memorial Hospital, Dhantoli, Nagpur that states “This is to certify that Shri Kashinath Kukde, aged about 58 years, was admitted to his hospital on 23.04.2007 and expired on 25.04.2007. The final diagnosis was k/c of DM & HT with chest pain with heart CVA (L) side with Ca – Colon with severe megaloblastic anemia with autonomic Neuropathy with septicemia with PCF. The cause of death was acute cardio respiratory arrest”.

. In the instant case, the deceased life assured Shri Kashinath Kukde failed to disclose these facts about his health and his correct age. From the above facts of the case, LIC of India cannot be faulted for repudiating the claim under the policy for non- disclosure of material facts and understatement of age in the proposal for assurance. The claim for the full sum assured was denied. Only the bid value was payable as it was a unit linked policy.

Complainant : Smt. Pushpa Mewaram Sharma

V/s

Respondent : Life Insurance Corporation of India, Thane Divisional Office

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AWARD DATED 14.09.2010

Shri Mahesh Mewaram Sharma had taken a LIC Policy for SA Rs.1.00 lac with DOC 28.04.2003. The policy lapsed on 28.10.2005 and was revived on 7.4.2008. He expired on 13.9.2009 i.e. within 1 year 5 months and 6 days resulting in an early claim.

His mother, Smt. Pushpa M. Sharma, preferred the claim. LIC repudiated the claim due to suppression of material facts regarding his health at the time of reviving the policy on 18.06.2005. The claim was also upheld by the ZO/Claims Review Committee of LIC.

On perusal of the documents it is learnt that the case papers from LTMG Hospital, Sion, reveal the findings of a CT Scan which was done on 21.01.2008 which states "A large aortic aneurysm involving aortal root and ascending aorta measuring 9.8 x 9 cm. to the maximum diameter and 6.8 x 7.9 cm at the root length of the aneurysm is 9.9 cm. Moderate to severe & cardiomegaly, dilated I.V. & main pulmonary artery seen. Mass effect on the MPA and SVC present. No e/o Pericardial effection". It is also seen "Bentall's Procedure (exclusion Technique)" operation was done on 30.08.2009. LIC of India has also produced an evidence for a payment of Rs.1,30,000/- paid by ESIS Hospital, vide cheque No.942026 dated 26.03.2008 for "Bentall's procedure" surgery by the deceased life assured. Our search on the internet (http://en.wikipedia.org/wiki/Bentall_procedure) indicates that "Bentall's procedure is a cardiac surgery operation involving composite graft replacement of the aortic valve, aortic root and ascending aorta, with re-implantation of the coronary arteries into the graft. This operation is used to treat combined aortic valve and ascending aorta disease, including lesions associated with Marfan syndrome".

LIC of India stated that on the basis of the records obtained by them they have reasons to believe that the life assured had been suffering from Marfan's Syndrome Ascending Aortic Aneursym with history of breathlessness for 3 years and he was a case of frequent chest infection from 2 years for which he had taken medical treatment for the same before the date of revival and he did not disclose this information in his said DGH and instead he gave false answers therein as stated above. LIC therefore, repudiated the claim on the ground that the life assured had made deliberate mis-statements and withheld material information regarding his health at the time of revival of the policy for the full sum assured and thereby declared the policy void and stated that all moneys paid towards revival of the policy and subsequent thereby belong to the insurer.

The Forum observes that at the time of proposing for insurance Shri Mahesh Mewaram Sharma has been examined by the authorized medical examiner of LIC and the insurance was given. It is also noted that the policy was allowed to lapse by non payment of premiums due 28.10.2005 and the policy was revived on 07.04.2008 by paying 5 half yearly premiums along with interest on the strength of a personal statement regarding health. It is pertinent to note that revival has been done just after the DLA had undergone a CT Scan on 21.01.2008 which states "A large aortic aneurysm involving aortal root and ascending aorta measuring 9.8 x 9 cm to the maximum diameter and 6.8 x 7.9 cm at the root length of the aneurysm is 9.9 cm. Moderate to severe & cardiomegaly, dilated I.V. & main pulmonary artery seen. Mass effect on the MPA and SVC present. No e/o Pericardial effection". It is also evident that the deceased life assured did not make a mention of the "Bentall's procedure", a surgery that he was to undergo for which the expenses were paid under ESIS on 26.03.2008 for an amount of Rs.1,30,000/-, i.e. before the date of revival of the policy. This is evidence to prove that he was fully aware of his ailments and he was to undergo surgery for "Bentall's procedure. This fact he did not disclose in the revival form. This action of the deceased life assured leads us to believe that he has made a deliberate attempt to revive the policy so that the risk cover can be enjoyed. While doing so, the deceased life assured has unfortunately failed to mention about his true health condition to LIC. The claim for full sum assured was denied,