

Pages (24)

AHMEDA BAD

**CASE NO. 21-001-0270-10
MR. GHANSHYAM J. JANI
V/S
LIFE INSURANCE CORPORATION OF INDIA**

Award Dated : 08.12.2009

Partial settlement of maturity claim.

The policyholder lodged claim for maturity claim treating as whole life policy. Whereas the Respondent has made the payment treating the policy as endowment plan. Respondent has submitted that policy has taken the definite conversion to endowment plan and policyholder has deposited premium accordingly. Hence after the date of maturity policy cannot be treated as whole life policy. The Respondent has rightly made the payment to the policyholder.

BHUBANESWAR

**(01)
BHUBANESWAR OMBUDSMAN CENTRE**

Complaint No- 24-001-0762

**Sri Naba Krushna Jena Vrs Life Insurance Corporation of
India**

(Bhubaneswar BO: I, BBSR DO)

Award dated 17th April, 2009

FACT:-

The complainant had taken a policy from Life Insurance Corporation of India (insurer) under Salary savings scheme which matured in the year 1991. But, premium deducted from his salary up to Oct., 2002. He had availed loan under the policy in the year 1976. Because of transfer from one state to other state premium deducted from his salary remitted to different office of LIC. In spite of several correspondences from the date of maturity there was delay in settlement of maturity claim. During the complaint period the insurer was able to consolidate the premium remitted to different offices and was able to settle the maturity claim with interest for delay. The complainant was not satisfied on the amount paid as interest for delay. He submitted the calculation sheet showing excess amount need to be paid to him.

AWARD:-

The Hon'ble Ombudsman observed that the insurer had submitted the details of the calculation of interest for delay paid to the complainant. As per IRDA guidelines, interest for delay is being paid. So, the calculation submitted by the complainant was rejected. The complaint stands dismissed.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 23-001-0756

**Sri Bhabagrahi Mishra Vrs Life Insurance Corporation of
India**

(OGSSS, Cuttack DO)

Award dated 16th April, 2009

FACT:-

The complainant had taken a policy from Life Insurance Corporation of India (insurer) under Salary savings scheme. The Policy commenced from March'1983 and matured on March-2008. As per the advice of the insurer, premium @Rs.36=50paise per month deducted for first five years and thereafter @Rs.71/- per month for the subsequent 20 years. The policy was under convertible endowment plan for which there was change in premium payment after 5 years. While settling the maturity claim only sum assured was paid. The complainant demanded the payment of bonus from the insurer. But, it was rejected on the plea that after 05 years of commencement had the premium being paid @Rs.99/- per month they could have paid bonus for 20 years as per policy condition. The complainant had submitted that the premium rate Rs.71/- after five years was fixed by the insurer as per the endorsement in the policy bond. It was not made clear that for getting bonus it should have been Rs.99/-. So, the complainant is not at fault.

AWARD:-

The Hon'ble Ombudsman observed that it was not made clear by the insurer to the complainant through the endorsement that the revised premium was for without profit purpose. Moreover, when the complainant had deducted Rs.71/- per month from his salary he could have paid Rs.99/- per month instead of that had he been informed properly. So, the hon'ble ombudsman directed the insurer to pay the balance premium considering the payment of bonus under the policy less differential premium with interest payable to the insured.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0802

Sri Girija Sankar Naik Vrs L.I.C of India
(Jharsuguda BO of Sambalpur DO)

Award dated 19th June, 2009

FACT:

The complainant had taken one policy under salary savings scheme from LIC (insurer) which matured for payment on 15.05.2006. There was delay in settlement of maturity claim. The insurer had submitted that they had settled the maturity claim in the meantime, but, for the paid-up value as the terminal remittances received by the last servicing branch refunded to the policyholder because previous servicing Branch adjustment position etc. was not known to them at the time of refund.

AWARD:-

The hon'ble ombudsman observed that since full premium s under the policy deducted and remitted to LIC, the complainant is entitled to get full benefit under the policy. So, the insurer is directed to pay full benefit less the paid-up value and the refunded amount already made by them.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 22-001-0813

Sri Surendra Nath Panda Vrs L.I.C of India
(Bhubaneswar-1 B.O of BBSR D.O)

Award dated 08th June, 2009

FACT:

The complainant had taken a policy from L.I.C of India. The policy matured and the maturity claim amount of Rs. 79,613.00 was not received by o the complainant. Hence, he approached this form. The insurer has stated that the maturity claim cheque was sent to the complainant in his address given under Speed Post, which has been received by him as reported by the postman. According to the complainant the postman might have handed over the letter to somebody else.

AWARD:-

The Hon'ble Ombudsman observed that the cheque being Account payee, complainant cannot make false claim. Considering the peculiar feature of the case he was of the opinion that the policy holder should not suffer.

The insurer was directed to pay the maturity amount to the complainant and may investigate the matter through their agency or hand over the case to Vigilance or C.B.I, which would be convenient to them. After investigation if it is found that the complainant has received the amount, the same be recovered from him. So before making payment the complainant be asked to give an under taking to return the amount if it is proved that he had received the cheque earlier and liable to face criminal proceedings.

(05)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0847

***Sri Bansidhara Mahapatra* Vrs L.I.C of India
(Keonjhar B.O of Cuttack D.O)**

Award dated 25th June, 2009

FACT:

The complainant had taken a policy from L.I.C of India which matured on 28-03-2006. Premiums have been deducted from his salary up to 28-10-2007. He did not receive the maturity value and the refund of the excess paid in spite of request. The insurer had submitted that the maturity value for Rs 23,671=00 being paid to the complainant after submission of the original policy bond and the discharge voucher. No mention has been made about refund of excess premium and the payment of interest for delay

AWARD:-

The Hon'ble Ombudsman observed that admittedly the premium amount was Rs.94=10. But Rs 64=10 has been deducted regularly from salary. So the rest balance @ Rs.30/- per month totaling to Rs 5430=00 and its interest has been deducted. This fact also is not disputed. The question arises what happened to the excess premiums paid from 28-02-2006 to 28-10-2007. The insurer is silent about this. The complainant has submitted detailed deduction made. In the above circumstance the insurer is directed to refund the excess premium received and interest for delay on maturity amount due is 28-03-2006 but the payment has been made on 11-05-2009 within one month from the date of receipt of this order.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0800

Sri Satyabrata Mohanty *Vrs* *L.I.C of India*
(Sambalpur BO-I of Sambalpur

DO)

Award dated 10th June, 2009

FACT:

The complainant had taken one policy under salary savings scheme from LIC (insurer) which matured for payment on 15.02.2008. There was delay in settlement of maturity claim. It was observed that the complainant had remitted some of the premium dues directly to previous servicing branch without the knowledge of the present servicing branch. The insurer had submitted that they required the remittance particulars to different branches of LIC for coordination and for immediate steps for settlement of the claim.

AWARD:-

The hon'ble ombudsman directed the complainant to supply the required particulars to the insurer. The insurer (Sambalpur -I BO) was directed to settle the maturity claim deducting the un-received premium and the insurer (Phulbani BO) was directed to refund the premium received by them directly to the complainant within one month.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 25-013-0841

Smt. Sulekha Singh Vrs. Aviva Life Ins. Co. Ltd.,

Award dated 23rd June, 2009

FACT:

The complainant had taken two policies from Aviva Life Insurance Co. Ltd., (insurer) but could not receive the Policy Bonds. However, after lodging complaint she received duplicate policy bond and requested the insurer to cancel the policies and to refund the premium paid. Her request was not accepted by the insurer on the plea that it is not coming under the purview of free look cancellation.

AWARD:-

The hon'ble ombudsman observed that the insurer was issued duplicate Policy Bonds to the complainant when they felt that original bonds were not received. During hearing no materials were placed before this forum on behalf of insurer that original policy bonds were received by the complainant. So, in that case the date of receipt of policy would be date of receipt of duplicate policy with number changed and the complainant requested to cancel those policies within 15 days from the date of receipt. The Hon'ble Ombudsman directed the insurer to cancel those two policies and refund the premium amount paid after deducting the processing fee.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 25-013-0842

Miss. Rita Singh Vrs. Aviva Life Ins. Co. Ltd.,

Award dated 23rd June, 2009

FACT:

The complainant had taken three policies from Aviva Life Insurance Co. Ltd., (insurer). At the time of proposal she was given to understand that those

were single premium policies but subsequently she come to know that she has to pay regularly. She also requested the insurer to cancel the policies and refund the premium paid as and when she received the duplicate policies but in turn the insurer refused to cancel those policies and refund the amount paid towards premium. The insurer submitted that the complainant had taken policies after knowing the terms and conditions of the product, so there was no question of misrepresentation. Also, the question of cancellation of policies and refund of premium did not arise when request was made after free look period and it was also presumed that the policyholder received the original bonds sent by courier as those have not received back.

AWARD:-

The hon'ble ombudsman observed from the circumstances that the complainant was not aware about the terms and conditions of the policies well and on receipt of the duplicate policies the complainant requested to cancel the policies in time. So, the hon'ble ombudsman allowed the complaint and directed the insurer to cancel the policies in question issued in the name of the complainant and refund the premium amount paid after deduction of processing fee.

(09)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 21-001-0844

*Sri Prafulla Kumar Samal Vrs. Life Ins. Corporation of
India (Udinagar BO, Sambalpur D.O.)*

Award dated 25th June, 2009

FACT:

The complainant had taken one policy from the Life Insurance Corporation of India wherein Maturity claim was due on May'08. There was delay in settlement of maturity claim. In spite of her several request the same was not paid by the insurer.

AWARD:-

The insurer had submitted that the delay was due to non-submission of requirements by the complainants. So, Hon'ble Ombudsman directed the complainant to comply with the requirements to the insurer and the insurer was directed to settle the claim at the earliest after receipt of the requirement.

(10)

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No- 24-001-0894

**Sri Rabindra Nath Pradhan Vrs. Life Insurance Corporation of
India
(BBSR-I BO of BBSR DO)**

Award dated 01st September, 2009

FACT:-

The complainant had taken one policy from Life Insurance Corporation of India (insurer) under salary saving scheme. The policy matured. There was delay in settlement of maturity claim. Hence, he approached this forum. As per the insurer, there was delay because of gap dues under the policy. The complainant had not sent them the deduction statement as desired by the insurer. However, on the date of hearing, they assured for early settlement of the claim. Subsequently, the complainant informed the forum he had received the maturity value, but, no interest has been paid for delay. According to the insurer, the delay was not intentional. The complainant submitted the requirement late.

AWARD:-

The Hon'ble Ombudsman observed that the complainant is liable to get interest from the date of submission of requirement to the date of settlement of maturity claim. Subsequently, the insurer intimated the forum that they also paid interest for the delayed period. Therefore, the complaint disposed of accordingly.

CHANDIGARH

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/262/Shimla/Bilaspur/24/10
Baldev Singh Vs Life Insurance Co. Ltd.

ORDER DATED: 31st AUGUST, 2009

MATURITY CLAIM

FACTS: The complainant Sh. Baldev Singh purchased a policy bearing no. 150295089 on 28.03.1994 in the name of Sh. Sunil Kumar Bhatla. The policy was matured in the month of March, 2009 but he had not received the maturity claim payment so far. He had requested to the insurer to release the maturity claim payment but he had not received any response from the insurer.

FINDINGS: The insurer stated that the policy was under Table 102-20 which means that it was a 20 year policy. However through an oversight the date of maturity had mentioned as 28.03.09 which means that it was a 15 years policy. Because of this lapse the complainant was asking for the payment of the maturity amount but maturity amount would be paid in March 2014. The premium was calculated keeping in view the term for 20 years.

DECISION: Held that while the Table Term mentioned was 102-20, the date of maturity clearly mentioned as 28.03.09. There was a contradiction in the statement of Table-Term 20 years and the date of maturity 28.03.09 (15 years), the contention of the complainant that the maturity amount be paid to him on completion of 15 years was justified. The insurer was advised to pay the maturity amount i.e. due as on 28.03.2009 after deducting for the remaining 5 years without interest as it was an underwriting lapse at the time of issuing the policy. Alternately the insurer could contact the complainant personally and after explaining the various pros and cons of 15 year date of maturity and 20 years date of maturity get the option from him if he would like to continue the policy for another 5 years premium remaining the same. In case he was not interested in continuing the policy beyond 15 years the maturity amount due on 28.03.09 would be paid to him subject to deduction of difference of premium.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. HDFC/281/Mumbai/Faridkot/24/10
Kamla Devi Vs HDFC Standard Life Insurance Co. Ltd.

ORDER DATED: 4TH SEPTEMBER, 2009

MATURITY CLAIM

FACTS: The complainant Smt. Kamla Devi had a policy bearing no. 10375611. She stated that she paid premium of Rs. 10,000 per year for 3 years. On the date of maturity, fund value was Rs. 16501.49 but she has received cheque for Rs. 11001.61 whereas no reason could be explained by the insurer. She has requested for balance amount.

FINDINGS: The insurer clarified the position by stating that the date of commencement of the policy was 23.09.05. A cheque for Rs 14865.67 was issued in the name of the husband of the complainant Sh. Surinder Kumar as he was the nominee. This amount was the amount of paid up value after completion of three years.

DECISION: Held that the contention of the insurer that the amount payable was Rs. 14865. 67 had been paid was correct. Further the insurer was ordered that to pay interest @8% p.a. from the date of cancellation of the policy up to date of preparation of the cheque.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/290/Gurgaon/Mohali/22/10
Karora Singh Vs Aviva Life Insurance Co. Ltd.

ORDER DATED: 17TH SEPTEMBER, 2009

MATURITY CLAIM

FACTS: The complainant Sh. Karora Singh had a policy no. LLG1231555. He had taken a policy under single mode but the same was issued under regular mode.

At the time of taking the policy he was told that it was single premium policy and he would be able to encash the same after three years. However when he approached the insurer for encashing the policy after completion of three years, he was told that the policy was in a lapsed condition. He was asked to pay Rs. 1.00 lakh every year if he wanted the policy to be revived. He was not in a position to make annual payment of Rs. 1.00 lakh on an income of about Rs. 2.00 lakh.

FINDINGS: The insurer clarified the position by stating that the policy was delivered to the complainant in 2006 and no representation was received for the last three years. Hence the policy was in a lapsed condition. On a query whether lapsation notice or final lapsation order was received by him the complainant replied in the negative.

DECISION: Held that while the proposal form states that the annual income was Rs. 4.00 lakh, the complainant had stated that he was not earning more than Rs. 2.5 lakh being an Asst. Line Man in PSEB. Thus payment of premium of Rs. 1.00 lakh annually was beyond his financial capability. Moreover he was not even served either with the premium due notice or final lapsation notice. All these factors point to the fact that there was an element of missale at the time of issuing the policy. The insurer was advised to cancel the policy *ab-initio* and refund the premium of Rs. 1.00 lakh to the complainant.

KOCHI

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/24-001-481/2008-09

A.Abdul Rasheed

Vs

LIC of India

AWARD DATED 27.04.2009

While the complainant was working in Nedumangad Depot of KSRTC, he took a policy for 15 years w.e.f. 28.10.1990 from Nedumangad Branch of LIC of India. In June 2003, he was transferred to Kattakada Depot and the policy was transferred to Neyyatinkara. Thereafter, he was re-transferred to Nedumangad and remained there till his retirement. As the re-transfer was not intimated to LIC, his premiums were continued to be received at Nedumangad branch where as policy records were kept at Neyyatinkara. Though policy matured in October 2005, he did not get the claim amount in time. Also an excess premium of Rs.854/- was recovered from his salary. On lodging a complaint, a discharge voucher for Rs.17,275/- was issued to him. But he was not prepared to accept the same as the amount offered was for less than his expectation. Later the insurer traced out the other premium collections and offered the correct maturity amount of Rs.19,350/- and the interest for difference in claim amount and refund of excess premium deducted from the salary. The complainant approached this forum for getting interest for full maturity amount and also the amount of Rs.854/- held in deposit.

It was submitted by the insurer that as the policyholder did not inform the insurer of his transfer back to Nedumangad, policy records remained at Neyyatinkara whereas premium were received at Nedumangad branch. In the absence of residential address, they could not contact the insured. They have made every effort to contact the insured through his available address. So they are prepared to pay interest for difference in claim amount. They have instructed the employer to stop recovery of premium well in time and also as per authorization letter supplied to the employer, the deduction of premium should stop in September 2005. The insured also had not taken any steps to stop recovery of premium. As excess premium recovered is not part of claim amount, they are not in a position to pay the interest for the same.

The correct claim amount works out to Rs.19,350/- whereas insurer at first offered only Rs.17,275/-. They are prepared to pay interest only for the difference in claim amount as they have issued discharge voucher for Rs.17,275/- in time. But it is to be noted that the discharge form for Rs.17,275/- was for full and final settlement of the claim. That is why, the insured was not prepared to accept. An award is, therefore, passed for payment of full claim amount with 8% interest p.a. and also refund of Rs.854/- deducted from salary in excess.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-239/2009-10

**Smt.Moly Joseph
Vs
LIC of India**

AWARD DATED 13.08.2009

The complainant had taken an insurance policy under salary savings scheme which matured on 25.05.2005. But premium continued to be deducted and adjusted by the insurer up to January 2009 due to an error in the policy master. On realizing the mistake, the maturity claim was settled with interest and excess premium realized was refunded without interest. But an amount of Rs.1, 245/- was deducted from the penal interest paid towards income tax. The insured wanted to get the tax deducted refunded, as she has no taxable income and also interest for the amount deducted after maturity of the policy. It was submitted by the insurer that the income tax was deducted from the interest paid as per Sec.194 A of IT Act and in case, she is eligible for refund, she can get it refunded on filing IT returns. Regarding the premium received after maturity, it was submitted that as the amount is kept in suspense and not in policy account, they are not in a position to pay interest.

The insurer deducted IT from the interest pad which is mandatory under Sec.194 A of IT Act. But under Sec.197 A of IT Act, payment in such cases can be done without deducting IT on getting a declaration from the payee. Here the insurer has not taken any steps to get such a declaration or has not brought this to the notice of the insured. A consumer has the right to be informed and the insurer has the duty to inform the same to the insured. Here this was not done. The only option now available to the insured is to get it refunded from the IT department by filing returns. Regarding the interest for payment of interest from premium deducted after maturity, there is no justification in the argument of the insurer that as premium is kept in deposit, she is not eligible to get interest. If the premium was adjusted in the policy account, the insured will be getting bonus. The insurer has invested this amount also like premium received. Hence the complainant is eligible for interest for that amount also. As the insured has to file return and get the interest deducted from claim amount, it is proper to award a cost also. An award is, therefore, passed directing the insurer to pay interest for excess premium deducted with interest @ 8% and a cost of Rs.1, 000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-001-220/2009-10

P.M.Chandrasan

Vs

LIC of India

AWARD DATED 07.08.2009

The complainant is the holder of a Jeevan Aadhar policy for an assured sum of Rs.50, 000/- for the benefit of his handicapped son, which provides for payment of annuity on death of the proposer. On completing the premium paying period, the complainant requested for refund of policy amount or to start pension payment. This was not accepted by the insurer as there is no provision in the policy to make any payment during the life time of the proposer. It was submitted by the insurer that the policy is a special type of policy earmarked for the benefit of handicapped dependents, on the death of the proposer. Hence there is no provision in the policy for making any kind of payment during the life time of the proposer. This policy was started in consultation with CBDT and if any change in policy condition is to be made, prior approval of CBDT is required. On getting so many such requests, they have approached CBDT for permission to start pension after attainment of certain age of the proposer, but it was turned down by CBDT. Under these circumstances, they are not in a position to make any payment during the life time of proposer. As the policy condition is very specific that policy is earmarked for the benefit of a handicapped dependent, on death of the proposer, nothing is payable during the life time of the proposer and hence the complaint stands **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-568/2008-09

**T.Rosamma
Vs
LIC of India**

AWARD DATED 04.05.2009

The complainant had taken a life insurance policy for an assured sum of Rs.25,000/- at the advanced age of 63. She paid an amount of Rs.33,568/- by way of premium. But on maturity, she got the sum assured of Rs.25,000/- only and not the full premium paid along with bonus. The contention of the insured is that as she had paid a premium of Rs.33,568/-, she is eligible for a sum assured of Rs.33,568/- and also bonus for that amount.

In the case of life insurance policies, premium is calculated based on the age of the insured at the time of taking the policy. In case of people of advanced age, the premium will be comparatively high when compared to youngsters, as, as age advances, mortality rate also increases. Here in this case, the policy was taken at the age of 63. Naturally, the premium to be paid will be much higher, as premium depends upon mortality. As LIC has already paid full sum assured and eligible bonus, nothing more is payable under the policy and complaint is, therefore, **DISMISSED.**

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-001-032/2009-10

**Thomas Stephen
Vs
LIC of India**

AWARD DATED 16.07.2009

The complainant, who is employed in National Insurance Co.Ltd., had taken a life insurance policy with commencement date 28.03.1988 for a term of 20 years. He had given a request to convert the policy to salary saving scheme after payment of 6 quarterly premiums. After the date of maturity on 28.03.2008, it was brought to his notice that the policy was not converted into SSS and is still under quarterly mode and is in a lapsed condition. It was submitted by the complainant that he has given the request for conversion into SSS and authorization to deduct premium from his salary, to the agent to be given to the LIC Branch Office. LIC has not informed him anything. He was under the impression that the policy was converted into SSS and premiums were being deducted from his salary along with premiums of his other policies. He has also not received any lapse intimation. As LIC failed to deduct premiums from his salary, he is claiming full maturity amount under the policy after deducting unpaid premiums or refund the 6 quarterly premium paid by him. The contention of the insurer is that they have not received any intimation to convert the policy into SSS. Only after conversion into SSS, authorization letter can be sent to the employer for deduction from his salary. The policy is still under quarterly mode in a lapsed condition without acquiring paid up value and hence, nothing is payable on maturity as per the policy condition.

There is no dispute to the fact that premium was paid only for 1 ½ years. The contention of the complainant is that he had entrusted the request for mode alteration to the agent. He has no point that he has submitted the request to LIC. He has also admitted that the premiums were not deducted from his salary. As the policy is in a lapsed condition without acquiring paid up value, nothing is payable under the policy on maturity. The complaint, therefore, stands **DISMISSED**.

KOLKATA

Maturity Claim

Kolkata Ombudsman Centre

Case No. 682/21/001/L/02/08-09

Shri Sudipta Ranjan Chandra

Vs.

Life Insurance Corporation of India.

Award Dated : 30.04.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against less payment of maturity claim.

The complainant had taken a policy no. 032331552 for Sum Assured (SA) of Rs.25,000/- and T/T 14-38 with yearly premium of Rs.638/- (FUP – 06/2001). The complainant stated that he had taken the policy on 01.06.1968 under T/T 14-38 but the machine wrongly showed T/T as 14-33 making the policy matured on 01.06.2001. So, he could not deposit the yearly premium since 06/2001. Apparently, the insurer rectified the policy master afterwards and settled the maturity claim at Rs.61765/- on 28.09.2008 taking the policy as paid-up, premium payment stopping for last 5 years. So, he received a lesser amount of maturity claim than the full claim amount due to no fault of his own. He appealed to the insurer but received no response. So, he approached this forum seeking justice for the above grievance though he has not submitted P-forms till date.

The Self Contained Note (SCN) dated 12.03.2009 confirms that the complainant had taken a policy (033331552) which was due to mature on 01.06.2006 but at the time of computerization of LIC offices, inadvertently the policy term was recorded as 33 years instead of 38 years. The policy holder paid premium up to 06.2001 i.e. for 33 years and did not inform the insurer to correct the policy term. He submitted the discharge voucher and the policy bond in

07/2008. They corrected the policy master to 14-38 and paid the maturity claim for paid-up value only for basic amount of Rs.21,771/- and vested bonus of Rs.40,045/- vide cheque no. 297868 dated 30.09.2008. They further added that had the policyholder informed the Office in 06/2001, the term of the policy could have been rectified at that time.

FURTHER FACTS:

From records it is found that the premium collection showed that the yearly premium instalment was Rs.638/- calculated for a term of 38 years only though the policy master showed it to be 33 years – it was the duty of the insurer to correct the policy term as the term was wrongly shown as 33 years in the policy master. The policy wrongly acquired maturity status on 1/6/2001 and therefore, the policy holder could not pay further premium from 6/2001. Though, he continuously paid premium from 1/6/68 to 6/2001, there is no proof to show any documentary evidence whether the insurer had sent the discharge voucher after 6/2001.

HEARING:

In response to a notice of hearing only the representative of the insurance company attended and the complainant did not attend nor did he send any letter for adjournment.

The representative of the insurance company stated that there was a mistake in the policy master and it was the duty of the insurer to convey any change in the policy detail including terms to the L.A. and there is no proof either that the correction of the policy term was intimated to the L.A. The representative of the insurance company was informed that the LA survived the full term but further payment of premium could not be possible due to the acquired maturity status of the policy. It is clear that the LA suffered financial loss due to the paid-up status and delay in claim payment. However, the representative of the insurance company stated that the policyholder did not make any efforts for payment of premiums after 6/2001. The insurance company has consented for mediation by the Insurance Ombudsman between the insurer and the insured.

DECISION:

Since the complainant did not attend and as he did not send any letter for adjournment, we will deal with the matter on ex-parte basis. From the above, it is clear that had the complainant been

allowed to pay the premiums for the next 5 years, he would have got full benefits of the policy instead of only paid-up value along with the bonus etc. Therefore, we direct the Insurance Company to calculate full maturity claim as if the policy ran for 38 years after deducting premium payable for 5 years which comes to Rs.3190/- & pay the balance amount of maturity claim so calculated as ex-gratia to the complainant. Further it is observed that the paid-up value of Rs.61765/- was paid on 28.09.2008 instead of 1.6.2006. We, therefore, direct the Insurance Company to pay interest for delayed payment on Rs.61765/-. However, no interest is payable on the ex-gratia amount granted.

-----°-----

Maturity Claim

Kolkata Ombudsman Centre

Case No. 207/24/001/L/06/09-10

Shri Ram Chandra Prasad

Vs.

Life Insurance Corporation of India

Award Dated: 16.07.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against delay in settlement of claim.

The complainant had taken a policy no. 411534396 on 28/11/1993 for Sum Assured (SA) of Rs.50,000/- with Plan and Term 110-15. The policy matured on 28/11/2008. The complainant stated that even after paying all premium instalments, Maturity Claim payment remained outstanding for more than 6 months, he had not received Discharge Voucher (DV) for the said policy and neither did he receive the maturity value due on 28/11/2008. He made several enquiries to the insurer but received no response. So, he approached this Forum seeking justice for the aforesaid grievance, though he has not submitted P-forms till date.

The insurer has submitted the Self Contained Note (SCN) dated 27/06/2009 wherein they have confirmed that the maturity value of policy no. 411534396 has been paid vide cheque no. 0714645 for amount of Rs.92800/- on 24/06/2009. They have requested to close the complaint as the payment has already been made.

DECISION:

The LIC is informed by their letter dated 27th June, '09 that maturity value payment has been made by cheque dated 24/06/09 for Rs.92,800/-. However, it is not clear whether penal interest is included in the above amount. If the penal interest has not been paid, the LIC is directed to pay the same. The complainant is hereby informed that no compensation can be granted by this Forum as per RPG Rules, 1998. Accordingly, the complaint is disposed of.

-----°-----

Maturity Claim

Kolkata Ombudsman Centre

Case No. 189/24/001/L/06/09-10

**Shri Nirapada Ghosh
Vs.**

Life Insurance Corporation of India

Award Dated: 14 .08.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against non-payment of maturity claim.

The policy matured on 28/03/2004 but the Life Assured (LA) was not in Chandannagore at that time. After returning there he contacted the concerned Branch Office on 23/12/2008 but he was informed that the policy master was not available in the computer. In spite of several requests he did not receive any positive response from the insurer. He did not receive the maturity benefits of the said policy. Therefore, he filed this petition before this forum. He submitted P-forms and consent letter.

In spite of our intervention we have not received any Self Contained Note (SCN) from the insurer till date.

HEARING:

In response to a notice of hearing only the representative of the insurance company attended. The complainant did not attend. The representatives of the insurance company stated that they had sent a letter on 18/07/09 to the insured requesting him to send premium receipts. They had not yet received the same. They further stated that even if they receive the last premium paid receipt they would be able to reconsider the policyholder's request and settle the maturity claim.

DECISION:

As the complainant did not attend we propose to deal with the matter on ex-parte basis.

Apparently premium payment against this policy stopped long ago and policy master was not built at the time of computerization. So some proof of premium payment (premium receipt) was required to ascertain whether this policy acquired paid-up value.

As mentioned above the complainant is requested to submit the previous premium receipts or at least the last premium receipt so that the insurance company could reconstruct his policy master and settle the maturity claim. The insurance company is directed to complete the exercise of settling the maturity claim

-----°-----

Maturity Claim

Kolkata Ombudsman Centre

Case No. 128/21/001/L/05/09-10

**Shri Robin Murmu
Vs.**

Life Insurance Corporation of India

Award Dated: 24 .08.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against less payment of maturity claim.

The complainant Shri Robin Murmu purchased the above mentioned policy and at the time of maturity full sum amount was not paid to him. As per his version the PA had deducted total 168 premiums from his salary @ Rs.652/- for Sum Assured of Rs.1,00,000/- but discharge voucher showed paid-up value of Rs.87,500/- instead of full Sum Assured (Rs.1,00,000/-). For this reason he lodged the complaint to receive the full amount of claim. Total relief sought is Rs.22036/- + Bonus and interest for the delayed payment. His employer, National Insurance Company, supplied the details of recovery of premiums from the salary of the complainant). P-forms and consent letter were also submitted by the complainant.

Details of premiums which were recovered by the PA were mentioned attached with the complaint.

No Self Contained Note (SCN) and consent letter were sent by the Insurance Company.

HEARING:

In response to a notice of hearing both the parties attended. The representative of the insurance company submitted a letter dated 08/08/2009 in which they stated to have already issued a cheque for Rs.19,700/- and sent the same by courier service. Therefore, they pleaded that the complaint may be closed. The complainant was informed of the situation and in response he requested that he should be paid interest for delay in payment.

DECISION:

We are happy that the insurance company has settled the matter. However, they are directed to pay penal interest on the additional sum of Rs.19,700/- from the date of maturity to the date of issue of cheque. Further, if there is any delay in payment of the previous amount of Rs.1,61,900/- they may pay the penal interest as per rules and regulations.

As the complaint has been substantially redressed it is felt that no further interference is called for by this forum. Hence, the petition is dismissed.

-----o-----

Kolkata Ombudsman Centre

Case No. 329/24/005/L/07/09-10

**Dr. Parikashit Chandra Das
Vs.**

HDFC Standard Life Insurance Co. Ltd

Award Dated: 11 .09.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against non-payment of maturity claim.

The complainant, a Doctor, purchased the above policy in the year 2004 with a single premium of Rs.25,000/-. The policy matured on 07/03/2009 and maturity value was declared Rs.30468.31. He requested the insurer to pay maturity value stating that he was a senior citizen of 68 years and was suffering from Hypertension, Diabetes Mellitus, Ulcerative Colitis with resultant complication and was under treatment in a Hospital from 12/05/2008 to 14/05/2008. So he required the maturity value. He submitted P-forms giving his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

They informed him on 04/06/2009 that he could vest the total maturity value of policy to any Annuity Plan or accept 33% as lump sum cash and had the open Market option to invest remaining 67% to purchase annuity from any other annuity service provider willing to accept the business. The policy was purchased for post-retirement benefit and they regretted that maturity value of the same cannot be offered.

HEARING:

In response to a notice of hearing both the parties attended. The representatives of the insurance company stated that the policyholder had taken a Unit Linked Policy paying a single

premium of Rs.25,000/- for a period of 5 years. According to the policy condition, the policyholder might request for total payment of surrender value of the policy at least one day before the date of vesting and therefore, according to the same condition, since the policyholder did not request for refund of the fund value only 1/3rd of the fund value was payable and the policyholder could buy an annuity with the remaining amounts. However, there was also another provision that the policyholder was allowed to alter vesting dates subject to age of vesting and policy term limits. Therefore, they stated that they had correctly informed the policyholder about their liability to pay only one third value of the funds and convert the remaining value as annuity.

On the other hand, the policyholder stated that he was not in the knowledge of claiming the entire value one day before the vesting date and that he had an option to alter the vesting date. Therefore, he pleaded that the entire amount of the fund value may be refunded him.

DECISION:

On going through the policy conditions, it is felt that the position of the fund value would not change if the policy holder had opted for a different vesting date and sought for refund. Added to that, the entire product is more in the form of an investment rather than a cover for risk. Therefore, giving benefit of doubt to the policyholder that he did not understand the policy conditions properly and holding that the insurance company was correct in defending their decision, we direct the insurance company to pay the entire amount of fund value as ex-gratia to meet the ends of justice.

-----o-----