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GUWAHATI

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 24/001/113/L/08-09/GHY

Mr. Magni Ram Maheshwari

- Vs -

L.I.C. of India, G.B.O.- I

Under Guwahati D.O.

Date of Order : 09.02.2009

The Complainant procured a policy bearing No.29899670 with Sum Assured of Rs.25,000/- under Table and Term = 93-25 wherein Survival Benefit due in January, 2002 and subsequently in January, 2007 were not paid. According to the Complainant, he has not received any of the above two Survival Benefits till the date of lodging this complaint. Being aggrieved, the Complainant approached this forum for redressal.

The policy was originally issued by the Katihar Branch of the Insurer with the commencement date as 28.01.1987. The third Survival Benefit fell due on 28.01.2002 and fourth Survival Benefit fell due on 28.01.2007. During the course of hearing, the representative of the Insurer told that the Survival Benefit due on 28.01.2002 was released and paid vide Cheque No. 110152 dated 29.01.2002 by the Katihar Branch of LIC being the servicing Branch of the policy on that date. He has also produced the claim payment voucher for Rs. 3750/- available on the policy docket and that appears to be an Official document in proof of taking steps for release of the above benefit but there is no proof as to whether the above cheque was actually despatched and reached the Complainant or the same was encashed. Mere issuing the cheque for the amount involved in the Survival Benefit is not enough unless the same is received by the beneficiary.

The next Survival Benefit amounting to Rs.3750/- fell due on 28.01.2007 and according to Mr. Baruah, the same was paid by a Cheque and sent to the SBI, Kharupetia Branch

as the policy was assigned to that Branch. The copy of the policy document has also contained an endorsement in this respect. According to Mr. Baruah, it was an absolute assignment to the aforesaid Branch and as per procedure, the cheque was sent to the assignee. On an enquiry from the Complainant, it is learnt that the aforesaid Survival Benefit, sent to the assignee Bank, has also been received and this was also confirmed by the Complainant. So, there remains no grievance as regards the payment of Survival Benefit due on 28.01.2007 is concerned.

The grievance remained due to non payment of Survival Benefit due on 28.01.2002. The Insurer has also not been able to prove about receiving the aforesaid amount by the Complainant. So, it requires an enquiry as to whether the cheque was actually issued and encashed by the Complainant or not. The Guwahati Branch – I of the Insurer who is the servicing Branch of the policy, will verify the matter with the help of Katihar Branch and in case the Cheque bearing No. 110152 dated 29.01.2002 has not been received by the Complainant nor encashed then, the Insurer shall take steps to release it immediately allowing penal interest for the delay and such interest shall be released on the amount involved in Survival Benefit with effect from 28.01.2002 till the date of release of the amount. The Insurer is accordingly directed to complete the process of settlement in the line stated above within 15 days.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 24/001/122/L/08-09/GHY

Mr. Ramesh Ch. Deka

- Vs -

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

Award dated: 10.03.2009

Mr. Ramesh Ch. Deka procured the policy bearing No. 481587990 with the date of commencement on 28.12.1996 with assurance to get Survival Benefit @ 25% on the Sum Assured on completion of 5(five) years and 10(ten) years from the date of commencement of the policy. The first Survival Benefit became due on 28.12.2001 which was of course not paid by the Insurance Company till the date of lodging this complaint. Being aggrieved for such inordinate delay, the Complainant approached this Authority for redressal.

It appears from the letter dated 11.02.2009, the Survival Benefit amounting to Rs.6250/- has only been released vide cheque No. 984534 dated 10.02.2009 without paying any penal interest for the delay in settlement of the above claim. Although, the letter dated 11.02.2009 refers to a cheque bearing No. 701770 dated 28.12.2001 which became stale, but there is nothing to show that the above cheque was despatched in time to the Complainant. Mere issuing the cheque is not enough unless it is paid to the Complainant / Insured. The above Survival Benefit amounting to Rs.6250/- became due on 28.12.2001 but the same appears to have not been issued in time and so the Insurer is liable to pay the penal interest on Rs.6250/- for the period from 28.12.2001 till 10.02.2009.

The Insurance Company was directed to pay the penal interest on Rs.6250/- @ 8% with effect from 28.12.2001 to 10.02.2009 within 15 days.

KOCHI

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-198/2008-09

Shri K.Thomas Varghese

Vs

LIC of India, Kottayam

AWARD DATED 30.09.2008

The complainant had taken a Bal Vidya Policy for his minor daughter for a sum assured of Rs.22,500/-. The policy specified payment of 2% of Sum Assured as survival benefit w.e.f. 28.04.2005 and 4% of Sum Assured w.e.f. 28.04.2008. However, insurer continued to pay survival benefit @ 2% of sum assured even after 28.04.2008. His submission is that as per policy document supplied to him, he is eligible for 4% of sum assured w.e.f. 28.04.2008 and he has to get it. The insurer has submitted that as per policy condition, 4% of sum assured became payable only from policy anniversary after completion of age 18. As the DOB of insured is 18.08.1990, she is eligible to get survival benefit @ 4% of sum assured only w.e.f. 28.04.2009, which they are prepared to pay. However, by an oversight, the date was wrongly typed as

28.04.2008 instead of 28.04.2009, which was intimated to the insured by letter dated 06.06.2005. The complainant has stated that he has not received such a letter. If there is such a correction, insurer has to call back the policy and would have made such correction in the policy document itself. At the time of issuing the policy document, 2% sum assured was typed as 28.03.2005 instead of 28.04.2005. This was brought to the notice of the insurer by the complainant. At that time, LIC called back the policy and made correction.

As per policy document issued, the complainant is eligible for payment of 4% of sum assured from 28.04.2008. If it was a typing mistake, LIC would have called back the policy and made such correction. This is the practice of LIC which they have done even for a small correction from 28.03.2005 to 28.04.2005. Benefit of insurance being a contractual benefit, the insured is eligible to get all the benefit as provided by policy document. The policy issued to complainant was for 4% of sum assured from 28.04.2008. As this is not further corrected by incorporating in the policy, the complainant is eligible for 4% of sum assured w.e.f. 28.04.2008, as promised by policy document. An award is passed directing the insurer to pay Rs.4,500/- every month since 28.04.2008 together with interest at 8% and a cost of Rs.500/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-002-415/2008-09

M.R.Kuttan

Vs

SBI Life Insurance Co. Ltd.

AWARD DATED 19.02.2009

The complainant has invested an amount of Rs.2,00,000/- in the pension plan of SBI Life Insurance Co. Ltd. for a term of 3 years. Before date of vesting, he surrendered the policy and was given only Rs.1,92,514/-. According to the complainant, the amount invested by him fetch interest @ 4% and the amount at his credit at the end of 3 years become Rs.2,40,643/-. On redeeming the policy before date of vesting, instead of giving the entire amount to his credit, the insurance company treated it as a surrender and gave him only Rs.1,92,514/-. Aggrieved by this, he approached this forum for justice.

As per policy condition, the policy is a 3 year term pension plan. At the end of 3 years, the insured can withdraw 33% of the pension amount and with the balance amount, he can purchase any of the pension scheme. Before vesting date, the policy can be surrendered and surrender value payable will be 80% of PPA account, if surrendered before 4th year. As this policy is surrendered in the 3rd year, he is eligible only for 80% of PPA account which the insurer has already paid. No more amount is due to the insured and the complaint is, therefore, **DISMISSED**.

KOLKATA

Survival Benefit

Kolkata Ombudsman Centre

Case No. 647/24/003/L/01/08-09

Shri Debapriya Ray Barman

vs.

TATA AIG Life Insurance Co. Ltd

Award Dated : 17.03.2009

FACTS AND SUBMISSIONS:

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

The complainant is the brother of the Life Assured (LA) who met with a motor cycle accident on 28.04.2007 at 10.30 – 10.45 p.m. on his return from work when he collided with another bike coming in tremendous speed from the opposite direction. He was seriously injured & admitted to Dreamland Nursing Home & then to Durgapur Steel Plant Hospital. Subsequently, he was taken to Apollo Gleneagles Hospital and then to Peerless Hospital where he had a serious operation. The total bill of said Hospital amounted to Rs.96800/-. The LA (Shri Soumyajit Ray Barman) had a policy - TATA AIG Life Health Protector No. – C 230028975 and so he claimed the total medical expenses incurred by him under TATA AIG Life Health Protector No. – C-230028975. But, TATA AIG wrongly issued a Death Claim letter ref no : “DU07000708/Mumbai/M/C 230028975” addressed to brother of LA (Debapriya Ray Barman) as “Death in Health Protector Claim” . After the mistake was pointed out, the insurer issued a cheque of Rs.100/- against the total claim of Rs. 1.5 Lac. The cheque was not accepted by the

complainant and he started regular follow-up with the insurer but received no response. So, the complainant and the LA both approached this forum seeking justice for the above grievance. The initial complaint was made by LA but subsequently, the correspondences were made by his brother (complainant). We have not received the P-forms till date.

The Self Contained Note (SCN) dated 03.03.2009 sent by FAX on 12.03.2009 confirms that LA had submitted an application for insurance on his own life on 16.10.2006 for a policy under "TATA AIG Life Health Protector" plan of Insurance and Policy No. C 230028975 was issued on 19.10.2006. The LA reported to have met with an accident on 28.04.2007 and was seriously injured. He had undergone a surgery on 1st May, 2007 and a hospitalization claim was lodged by him, which was received by the insurer on 03.07.2007. According to the SCN, LA was entitled for only Rs. 100/- as per the "Benefits Provisions" of the policy under Accidental Hospitalization Cost. They added that LA was not entitled to anything more than that what was provided in the provisions of the policy offered by the Company on 12.07.2007. In this connection, the insurer referred to the decision of the "National Commission" in LIC of India vs. Ramesh Chandra wherein it was held that Consumer Forum could not go beyond the terms of the policy.

HEARING:

In response to a notice of hearing both the parties attended. The complainant is the brother of Soumyadeep Ray Barman. Soumyadeep Ray Barman met with an accident on 28/04/07. The LA claimed for reimbursement of the cost of the treatment. Shri Soumyadeep Ray Barman had taken a policy from TATA AIG Life Insurance Co. Ltd., which, amongst others, covers following benefits.

- i) Accidental death benefit Rs.2,55,000/-
- ii) Accidental hospitalization Rs.100/-
- iii) Total permanent disability Rs.1,000/-
- iv) Term benefit Rs.2,10,000/-
- v) Critical Illness Rs.2,10,000/-.

The brother who represented before this office stated that the agent informed them that all the hospitalization expenses would be covered if this policy was taken. At the time of hearing it was pointed out that this was a life insurance policy (not a medi-claim) and therefore, only the benefits mentioned in the policy would be payable. Any critical illness which was covered upto Rs.2,10,000/- would have been paid if the policyholder suffered such critical disease as defined under the policy terms and conditions. All other coverages mentioned above were self-explanatory. Therefore, he was informed that the policy called health protector policy issued by TATA AIG Life Insurance Co. Ltd. covered such benefits to those policy holders who suffered critical illness and permanent disability due to an accident as defined in the Policy Conditions. It

was not meant for claiming reimbursement of all medical expenses as in the mediclaim policies issued by General Insurance Companies. The representatives of the insurance company reiterated what they had stated in the Self Contained Note (SCN) and confirmed that the expenses incurred by the policy holder due to cosmetic facial surgery were not covered under the health protector policy issued by their company.

DECISION

The complainant was informed with regard to the policy terms and conditions and also was explained why the policy issued by a life insurance company could not be treated as a mediclaim policy and even if they had taken the policy on the advice of an agent, no relief could be provided to the policyholder beyond the policy conditions enumerated in the policy document.

Therefore, we agree with the decision of the insurance company in denying the claim and dismiss the petition. The complainant does not get any relief.

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