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OFFICE OF THE INSURANCE OMBUDSMAN (GUJARAT)

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AHMEDABAD

SYNOPSES OF AWARDS 2008-09

Half Year: OCT 2008 TO MAR 2009

1. LIFE=DEATHCLAIM

Award dated 08-10-2008

Case No.21-001-0116-09

Mrs. Gitaben N. Christian Vs. Life Insurance Corporn. of India Ltd.

Life Insurance Policy

The death claim under the subject policy was repudiated by Respondent on the grounds of non-disclosure of material facts at the time of proposal for insurance.

After perusing documents on record read with the pleading of the parties it was revealed that the respective questions of proposal form regarding previous medical history and present state of health was wrongly given. The DLA was suffering from Delirium Tremens and Alcoholic Liver disease and had taken treatment prior to proposal was not disclosed.

Since non-disclosure was proved the case was dismissed.

Award dated 10-11-2008

Case No.21-007-097-09

Smt. Prafullaben K. Ranpara Vs. Max New York Life Ins. Co.Ltd.

Life Insurance Policy

Late Kantilal H. Ranpara (DP) had proposed for Life Insurance Policy under Life Maker Premium Investment Plan on 27-03-2008. While processing the proposal, DP died on 20-04-2008 due to Cardio-Respiratory failure. At that time some requirement was remaining from the DP for completion of Proposal for Claim lodged by Smt. Prafullaben K Ranpara, wife of the Proponent for payment of Sum Assured which was repudiated by the Respondent on the ground that the Proposer expired on 20-04-2008 and in this case, their terms of contract for acceptance of offer by Proposer remained unfulfilled hence this contract remains unconcluded, and complainant's demand for payment of Sum Assured is not valid.

The case was decided taking into consideration of Law of Insurance Contract. The contract was remained unconcluded because of death of proposer. The decision based on judgment of Hon. Supreme Court in Civil Application No.2197 of 1970, LIC of India V/s. Vasireddy Komalavalli Kamba & other reported in AIR 1984 SC 1014.

The decision of repudiating the claim by the Respondent was upheld.

Award dated 11-11-2008

Case No.21-001-0029-09

Mr. Madhubhai H. Vasani Vs. LIC of India

Life Insurance Policy

Death claim of the complainant's wife was repudiated by the Respondent on the ground that indisputable proof against DLA to be guilty of incorrectness of statement and withholdment of correct information with regard to status to her health.

The proposal date of the DLA was on 20-03-2006 and expired on 28th September 2006. DLA was a diabetes patient but there was no evidence for treatment before taking the policy. Therefore Respondent's repudiation is not justifiable.

Complaint succeeds and forum directed to the Respondent to settle the claim for Sum Assured (Rs.1,00,000/-) to the complainant.

Award dated 18-11-2008

Case No.21-004-077-09

Smt. Hasumatiben L Patel Vs. ICICI Prudential Life Insurance Co.Ltd.

Life Insurance Policy

Late Laxmanbhai N Patel had Life Insurance Policy with the above Respondent from April 2007. Insured expired on 02-01-2008 due to Pulmonary Fibrosis. Claim repudiated by the Respondent on the ground that DLA made misrepresentation in the Proposal for Rs. 15.00 Lacs and giving false answers to the questions related his health, injuries, disease requiring treatment/medication etc.

The Medical referees opinion that Pulmonary Fibrosis cannot develop and cause of death of a person in a span of 6 months time. This illness is of long duration and nature of the illness is such that a person has to be symptomatic and DLA would have symptoms.

The subject complaint having originated from the dispute about the history of disease being questioned requires calling for witness and their cross examination. It falls outside the ambit of this forum. Hence complaint is deemed as beyond jurisdiction for this forum and complainant to pursue other forum as may be considered appropriate.

Award dated 26-11-2008

Case No.21-001-0168-09

Smt. Nirmalaben K Bhatt Vs. LIC of India

Life Insurance Policy

Late Kishorebhai A Bhatt held a Life Insurance Policy. Death claim lodged by Nominee and wife of the DLA was repudiated by the Respondent on the ground of non disclosure of material facts by making incorrect statement regarding health in the proposal form.

Respondent submitted evidence on record contain a Certificate issued by employer of the DLA which states that DLA was on leave for two months for treatment of P. Falciperum Malaria

and Renal Impairment, Hemolytic, Jaundice with Thrombocytopenia. Further evidence proved through medical certificate from Sterling Hospital issued by treating doctor.

Complainant also agreed that her husband was under treatment in the year of November 2004 to January 2005 but at the time of proposal on 29-12-2005, DLA was fully cured.

It thus gets established that the Proposal form as submitted by the DLA withheld correct information with regard to the health of the DLA and Respondent's decision to repudiate the claim is justified and case is dismissed.

Award dated 27-11-2008

Case No.21-01-090-09

Mrs. Nishmaben D. Patel Vs. LIC of India

Life Insurance Policy

Late Dineshkumar C.Patel was covered under LIC Policy and death claim lodged by wife and nominee under policy Mrs. Nishmaben D. Patel, was repudiated by the Respondent.

Repudiation alleged due to incorrect statement and withholding material information about the health of the DLA committed by him at the time of proposal.

Policy incepted in the year of March 2006 and treatment started after three months for Cancer and expired on July 2007. Treating doctor certified the habit of Tobacco Chewing since last 20 years. There is no other evidence to prove that the DLA had consulted a medical man and taken treatment before inception of policy.

Therefore Respondent's decision to repudiate the claim is partially justified and directed to pay 50% of the Sum Insured on ex-gratia basis.

Award dated 19-12-2008

Case No.21-001-0187-09

Mrs. Manglaben C. Sisodiya Vs. LIC of India

Life Insurance Policy

The Life Assured had two policies and cause of death was due to fever and septicemia.

Claim repudiated by the Respondent on the ground of suppression of material facts regarding the history of previous insurance by the DLA while submitting the proposals. At the time of filling the Proposal Form of the 2nd policy, the history of the 1st lapsed policy was not shown. The DLA had knowingly suppressed this material information to get the insurance cover.

Therefore Respondent's decision is upheld and case is dismissed. **Award dated 23-12-2008**

Case No. 21-001-0182-09

Smt. Prafullaben N Patel Vs. LIC of India

Life Insurance Policy

Death claim lodged by the Complainant was repudiated by the Respondent on the ground of withholding material information regarding health history of the DLA.

On the basis of certificate issued by treating doctor, claim repudiated by the Respondent is upheld and case is dismissed.

Award dated 24-12-2008

Case No.21-001-0180-09

Mrs. Manekben D. Hirani Vs. LIC of India

Life Insurance Policy

Death claim lodged by the complainant was repudiated by the Respondent alleging incorrect statement and withholding material information regarding age of the DLA and his wife at the time of filling up the Proposal Form. In the Proposal Form, the DLA's age was mentioned as 40 years and his wife's age was 34 whereas as per evidence it is 46 years and 43 years respectively.

Complainant submitted that the DLA was poorly educated labour and was not aware of the procedures, requirement of the Respondent. The agent must have arranged bogus certificate of age at the time of proposal. When the Respondent demanded age proof at the time of claim intimation, Claimant herself submitted School Leaving Certificate and birth certificate for age proof.

Looking to the educational status and socio economic conditions of the complainant and her submission, it gets established that DLA was innocent and semiliterate and there was no intention on the part of DLA to hide the exact age or submit bogus age certificate which appears to be the handiwork of the agent. Therefore directed to the Respondent to pay 50% of Sum Assured on ex-gratia basis.

Award dated 31-12-2008

Case No. 21-001-152-09

Mrs. Meena P Kale Vs. LIC of India

Life Insurance Policy

Death claim lodged by Nominee and wife of the deceased was repudiation by the Respondent.

Repudiation was on the ground of false information regarding health of the DLA given in the Proposal. At the time of filling the Proposal, a Panel Medical examiner of the Respondent certified that he was healthy.

The DLA had critical illness and premium waiver benefit rider policy, the cause of death was due to accidental intake of some poisonous substance which was proved by Post Mortem Report. Homeopathic treatment taken by the DLA for Huntington Disease is immaterial because that is after the inception of policy. He had not availed any sick leave during this period.

Respondent failed to submit documentary evidence for treatment of the DLA, thus repudiation is not justifiable.

Forum directed the Respondent to pay a Sum of Rs.75,000/- to the complainant on ex-gratia basis.

Award dated 29-01-2009

Case No.21-005-0253-09

Smt. Dhanlaxmi K Mehta Vs. HDFC Standard Life Insurance Co.Ltd.

Life Insurance Policy

Death claim of the insured lodged by the complainant was repudiated by the Respondent on the grounds of suppression of material facts.

The pleading and documents on record revealed that the DLA died due to Myocardial Infarction (H.A). The proposal form asking specific questions about usual health condition is mentioned as good and about any treatment or special test conducted or any illness was answered as No. However it was revealed that the DLA was diagnosed for DVT (Deep Vain Treatment) and DLA died due to Myocardial infarction which directly relate with earlier ailment not disclosed.

The complaint was dismissed.

Award dated 30-01-2009

Case No.21-016-0234-09

Mrs. Rinaben M Rathod Vs. Shriram Life Insurance Co.Ltd.

Life Insurance Policy

Death claim of Rs.10 Lakhs was repudiated on the grounds of non disclosure of material facts about health history to commencement of risk.

Documents on record proved that the DLA died within 11 months due to the ailment of TB and was taking treatment for the same from National TB Control Program whereas the specific focused question in proposal about

health and ailment and treatment taken it was informed as negative.

Thus willful non-disclosure of material facts was proved and complaint was dismissed.

Award dated 12-02-2009

Case No. 21-01-0217-09

Mr. J.P.Makwana Vs. LIC of India

Death claim of DLA was repudiated on the grounds of misstatement of particulars of health.

The DLA died due to cancer and he was treated by the doctor at Gujarat Cancer and Research Institute. On revival date 29-01-2007 which was subsequent to the date of treatment the specific questions regarding health and illness for ailment of major nature the questions answered were wrong on the basis of which revival at standard rates was done. Thus resulting into willful suppression of material facts at the time of revival and Respondent was justified in repudiation of claim.

Complaint was thus dismissed.

Award dated 16-02-2009

Case No.21-001-0201-09

Mrs. Urmilaben Ishwarbhai Patel Vs. LIC of India

Life Insurance Policy

The Double Accident Benefit claim lodged by the complainant for the insured was repudiated.

The facts revealed after hearing and from documents are –

The last yearly premium due on 21-07-2006 was paid on 7-9-2006. DLA met with accident on 10-10-2007and died on the spot. Before death the overdue premium due 21-07-2007 was not paid till death.

Since the premium was not paid during the days of grace, the policy was treated as lapsed and as per rules the benefits ceased. Under the subject policy terms benefits under the policy cause of death, the payment on ex-gratia basis for basis S.A and DAB was denied.

The complaint failed and was dismissed.

Award dated 17-02-2009

Case No.21-001-0266-09

Mr. Umeshbhai D. Rabadiya Vs. LIC of India

Life Insurance Policy

Death claim of the insured was repudiated on the grounds of willfully suppression of material facts while taking the insurance policy.

The submission of parties and documents on record revealed that –

There were major discrepancies in the two different proposals which were with the difference of 5 month span.

The discrepancies about ages of the member and spouse varied with vide margin and the height/weight given in two proposals differed with 11 cm in height and 5 kgs in weight. The previous insurance was not disclosed by the DLA in subsequent insurance. The annual income also showed difference of Rs.27,000/-.

The suppression of previous insurance of incorrect date vitiated the principle of utmost good faith.

The complaint was dismissed.

Award dated 17-02-2009

Case No.21-005-0268-09

Smt. Manjulaben S. Solanki Vs. HDFC Standard Life Insurance Co.Ltd.

Life Insurance Policy

Death claim of DLA was repudiated on the grounds of suppression of material facts.

The documents on record and pleading of parties revealed that the DLA was suffering from D.M for 2 years and Chronic alcoholic for past 5 years for which he had taken treatment from hospital. This was not disclosed in the proposal against specific questions of health and habits.

This attributed to willful suppression of material facts and claim repudiated was justified.

In the result the complaint was dismissed.

Award dated 17-02-2009

Case No. 21-001-0273-09

Mrs. Bhavnaben S. Mehta Vs. LIC of India

Life Insurance Policy

Death claim of the insured was due to Cancer was repudiated by the Respondent.

The material facts on record revealed that DLA withhold correct information of his health and he was suffering from Carcinoma of Cheek and Anterior Pillar of Tonsil left side for which he had taken treatment which was proved.

Thus the claim rejected on the grounds of suppression of material facts willfully was justified and claim was dismissed.

Award dated 24-02-2009

Case No. 21-001-0232-09

Smt. Induben P. Kansara Vs. LIC of India

Double Accident Benefit Policy

Death claim for S.A Rs.2.25 Lakhs towards double accident benefit was repudiated by Respondent on the grounds that accidental death was not proved.

The documents revealed that in absence of any acceptable evidence whatsoever to prove accident the double accident benefit is not payable. The L.A died due to diabetes and HT and internal cerebral hemorrhage was established in the case.

The complaint was dismissed.

Award dated 24-02-2009

Case No.21-001-0261-09

Mrs. Purniben R. Thakkar Vs. LIC of India

Life Insurance Policy

Death claim was repudiated for non-disclosure of material facts at the time of proposal.

The DLA while taking insurance did not disclose his previous insurance for Rs. 1 Lakh S.A.

Had he disclosed, the insurance proposal could have been assessed differently lighter with extra premium or decline. This was proved by Respondent.

Thus the principle of utmost good faith was vitiated and complaint was dismissed.

Award dated 24-02-2009

Case No. 21-001-0293-09

Mrs. Bhanuben P Vankar Vs. LIC of India

Life Insurance Policy

Death claim was repudiated on the grounds of non-disclosure of material fact willfully and breach of utmost good faith.

The DLA did not disclose about his disease of TB for which he was taking treatment. It was established from Govt. T.B Control Program and Respondent's repudiation was justified and complaint was dismissed.

Award dated 24-02-2009

Case No. 21-008-0256-09

Mrs. Manuben G. Tamanche Vs. Kotak Mahindra Old Mutual Life Ins.

Life Insurance Policy

Death claim was repudiated by Respondent on the grounds of non-disclosure and suppression of material fact that the DLA's occupation. DLA had mentioned that he is proprietor of whole sale shopkeeper and gross annual income is Rs.1.20 Lakhs since last 12 years. Actually the DLA was hawker and annual income was around Rs.36,000/-. This was investigated by the Respondent which was in the form of affidavit only notarized.

As this forum neither have power nor infrastructure to verify the credentials in the case to decide the case as it has legal process, a task beyond the scope of the forum.

Hence without getting into merits and passing quantitative award for the case it is left to complainant to move to other forum/court for resolution.

No formal pronouncement of award was made in the case.

Award dated 25-02-2009

Case No. 21-001-0235-09

Mrs. Leena A. Shah Vs. LIC of India

Life Insurance Policy

Death claim was repudiated on the grounds that L.A was taking treatment of Cancer left cheek and had habit of chewing tobacco last 15-20 years.

The document revealed that there was suppression of material facts of chewing tobacco and had swelling in left cheek and was taking treatment of Chemotherapy resulting in breach of utmost good faith as this was not disclosed against specific questions in proposal.

Case was dismissed.

Award dated 25-02-2009

Case No.21-004-0282-09

Smt. Manoramaben L. Khant Vs. ICICI Prudential Life Insurance Co.

Life Insurance Policy

Death claim of the insured was repudiated on the ground of Non-disclosure of facts material to assess the correct risk willfully.

The documents and hearing of the parties revealed that the DLA did not give correct answers to the focused specific condition of the personal health and illness.

The documents proved that the DLA had uncontrolled diabetes and Urinary Track Infection with Renal failure and was taking treatment for the ailment prior to taking the proposal which is viewed on breach of utmost good faith.

The case was dismissed.

Award dated 26-02-2009

Case No. 21-001-0325-09

Mrs. Geetaben L. Jani Vs. LIC of India

Life Insurance Policy

The death claim of the insured was repudiated on the grounds of misstatement and withholding material information at the time of proposal resulting into breach of principle of utmost good faith.

The documents on record revealed that previous insurance policies was withhold by DLA which was resulting into acceptance of proposal without full medical report and special report like ECG, Haemogram and Elisa test for HIV which could have influenced assessment of risk and denied the opportunity for Respondent in proper assessment of risk.

As the breach of principle of Utmost Good Faith was established, the case was dismissed.

Award dated 26-02-2009

Case No. 21-001-0284-09

Mrs. Pramilaben J Pandya Vs. LIC of India

Life Insurance Policy

Death claim of the insured life was repudiated on the ground of non disclosure of material facts for assessment of correct risk.

The documents and hearing of the parties revealed that the L.A was suffering from high B.P and chest pain prior to one year and died in 4 months of taking the policy.

The DLA was taking treatment for his above ailment and also was on sick leave but the answers to the focused questions of partial health and treatment were proved wrong. In view of breach of principle of Utmost Good Faith the case was dismissed.

Award dated 06-03-2009

Case No.21-001-0231-09

Dr. Nilesh T. Vaidya Vs. LIC of India

Life Insurance Policy

The death claim of the insured was repudiated on the grounds of incorrect statement and withholding material information at the time of taking insurance.

The DLA while taking insurance policy did not give correct information about husband's insurance which necessary for assessment and requirement of risk cover. Had the correct information of husband because given this subject insurance was not given as she was not having income of her own and insurance for such ------- female life would have been equal to husband's insurance.

The case was thus dismissed.

Award dated 16-03-2009

Case No. 21-004-0270-09

Mr. Mahendra J Kanungo Vs. ICICI Prudential Life Insurance Co.Ltd.

Life Insurance Policy

Death claim of the Insured was repudiated on the grounds of deliberate misstatements and withholding material information regarding health.

The documents on record revealed that the DLA in the subject insurance proposal had given wrong information about health related queries even when she was suffering from Rheumatic Valvular Heart Disease since 1984 and underwent Mitral Valve Replacement by surgery in 2003 which was prior to proposal and not disclosed.

Since the misstatement was proved the complaint was dismissed.

Award dated 17-03-2009

Case No. 21-002-0221-09

Mrs. Manjulaben S. Patel Vs. SBI Life Insurance Co.Ltd.

Life Insurance Policy

Death claim lodged under the case was repudiated on the grounds of suppression of health status that DLA was suffering from Myocardial Infarction prior to taking insurance in the Group Insurance Policy.

As the declaration of good health dated 26-12-2005 was beyond 2 years the section 45 was not in favour of the Respondent. Thus leave record also confirms that in the policy year for Group Insurance the DLA had not taken sick leave for any ailment and Respondent did not prove by documentary evidence the fraudulent intention of DLA.

The complaint succeeded on merit and Respondent was directed to settle the claim.

Award dated 17-03-2009

Case No.21-001-0269-09

Mrs. Rupaben G. Parmar Vs. LIC of India

Life Insurance Policy

Death claim of the insured was repudiated on the grounds of incorrect statement and withholding Material information at the time of proposal by the DLA.

The DLA suffered from Recurrent Chest pain and for the same he had taken treatment before taking insurance which was not disclosed in the health related questions in proposal form, for this he had also taken leave in service.

Since this concealment was proved which otherwise could have influenced the underwriting of risk, if same was disclosed.

Since this denied from opportunity for Respondent in correct assessment of risk the Respondent's decision to repudiate in correct assessment of risk the Respondent's decision to repudiate the claim was justified.

The complaint was dismissed.

Award dated 18-03-2009

Case No. 21-001-0276-09

Mrs. Baliben M Tandel Vs. LIC of India

Life Insurance Policy

Death claim of the insured was repudiated on the grounds of non-disclosure of material facts in assessment of risk.

The DLA was suffering from various ailments like high blood sugar, high B.P, high cholesterol and impaired renal failure prior to taking insurance.

The documents proved that the Doctor, who was treating the DLA, confirmed these ailments and that he was treating the DLA for the same.

Since the willful non-disclosure was proved the case was dismissed.

Award dated 27-03-2009

Case No. 21-001-0316-09

Mrs. Kokilaben J Kharwa Vs. LIC of India

Life Insurance Policy

Death claim of DLA was repudiated on the grounds of non disclosure of material facts while submitting proposal.

The documents and pleading revealed that the specific question answering about details of previous insurance of DLA, the information given was "No Insurance". However subsequently came to know that DLA had already insurance with same company for which revival was done by him in 2005.

This denied the opportunity to the Respondent in proper assessment of risk which would have otherwise been underwritten on the basis of special medical reports viewing total sum under consideration.

The repudiation was justified and case was dismissed.

Award dated 30-03-2009

Case No. 21-001-0336-09

Mr. Kanjibhai L. Kapadia Vs. Life Insurance Co. Ltd.

Life Insurance Policy

Death claim of DLA was offered only for refund of premium instead of Sum Assured in view of restriction of Clause 4-B.

The documents revealed that the DLA died at her residence due to electric shock. However she being category –III female with no income of her own the Respondent while issuing policy restricted death benefit by imposing clause 4-B which restricts payment of death claim if the death occur anywhere than public place.

In the subject case the death occurred at her residence which justified the Respondent's stand for refund of premium.

The case was dismissed.

Award dated 31-03-2009

Case No. 21-001-0355-09

Mrs. Benaben Dayabhai Maru Vs. LIC of India

Life Insurance Policy

Death claim of the DLA was repudiated on the grounds of suppression of material facts.

The documents and pleading of the analysis reveals that the DLA was operated for Ulcerative colitis 3 years before proposing insurance which was not disclosed by him while answering specific questions about personal health while submitting proposal form.

Since cause of death had strong nexus with the previous disease and operation the suppression of fact was material in amount of risk and repudiation was justified.

Case was dismissed.

Award dated 31-03-2009

Case No. 21-001-0349-09

Mr. Muljibhai K Rohit Vs. LIC of India

Life Insurance Policy

Death claim lodged was repudiated on the ground of suppression of material facts about health at the time of proposal.

The documents and pleading of parties, both analysis, it was confirmed that history of convulsion and treatment taken prior to proposal was willfully suppressed while misled the underwriting of risk and section 45 was in favour of the Respondent which justified the repudiation.

The case was dismissed.

Award dated 31-03-2009

Case No. 21-001-0275-09

Mr. Jagdish P Parmar Vs. LIC of India

Life Insurance Policy

The Death claim was repudiated on the grounds of incorrect statements in proposal form regarding previous illness, (treatment and operations). The DLA was suffering from Malignant Round Cell Tumor for which he was consulted and treated in hospital, underwent surgery prior to 2 years and yet not disclosed the facts.

The documents revealed that material suppressed was not fraudulent nor willful nor material for assessment as per three parameters of Section 45 of Insurance Act 1938. The Malignancy of knee was detected in 2007 (after proposal) and Respondent was not able to prove suppression as fraudulent and willful.

The repudiation was unjustified and Respondent was directed to settle the claim.

BHOPAL

Death claim

SL.No.1

OFFICE OF THE INSURANCE OMBUDSMAN

Shri Sunil Ramchandani v/s LIC of India

Order No. BPL/LI/02-09/61 Case No.MN-244-21/11-08/Gurgaon

Brief Background

Shri Sunil Ramchandani, resident of Indore (hereafter called as complainant) has lodged the complaint that his sister Late Miss Pinky Ramchandani was insured under Policy no. 347583098 on 06.06.2008 for Rs. 5.00 lakhs from Max New York Life Insurance died on 22.08.2008 due to cardiac arrest. Claim preferred by him rejected by the respondent on the ground of suppression of material fact.

Aggrieved from the action of the respondent the complainant has lodged the complaint seeking direction to respondent to pay the insurance amt. 5,53,259.00 lakhs.

For the sake of natural justice hearing was fixed on 04/02/2009 at Bhopal. The Complainant was present himself and represented that his sister was enjoying good health, all of a sudden she has severe abdominal pain and start vomiting for which she was admitted in the Sanjeevani Nursing Home and suddenly died on 22.08.2008 due to cardiac arrest. The death certificate issued by the hospital authority on 22.08.08 proves that death has occurred due to cardiac arrest only.

The certificate issued by Sanjeevan Nursing Home dated 22.08.2008 at 11.15 am was subsequently amended by writing history of Sickle cell anemia.

The claimants' statement form 'C' dated 22.09.2008 signed by Dr. B.B. Gupta reveals the following

(2) (c) How long had you know the deceased : x (nil)

(4) (a) Immediate cause of death - **cardiac arrest**

(d) Present complaint - **pain in abdomen & vomiting**

(f) Was there any contributory

cause of death or any chronic

ailment - **No.**

(6) Were you the deceased's usual doctor? - **NO**

(9) Please provide details of all medical

Investigations conducted so as to confirm

The diagnosis - **NIL**

(10) When was the diagnosis finally confirmed

Since when did the deceased suffer from this

Ailment. - **NIL**

WHEREAS THE FORM 'C' PRESENTED BY THE RESPONDENT AND CERTIFIED BY THE SAME DOCTOR ON 31.10.2008 WHICH REVEALS CONTRADICTION AS UNDER:-

(2) (c) How long had you know the deceased : childhood

(4) (a) Immediate cause of death - **cardiac arrest**

(d) Present complaint - **pain in abdomen & vomiting**

(f) Was there any contributory

cause of death or any chronic

ailment **SICKLE Cell disease No.**

(6) Were you the deceased's usual doctor? **YES many years**

(9) Please provide details of all medical

Investigations conducted so as to confirm

The diagnosis - **known case of sickle cell disease**

(10) When was the diagnosis finally confirmed

Since when did the deceased suffer from this - **childhood**

Ailment.

As per the claimants' statement form 'D' dated 22.09.2008 signed by Dr. B.B. Gupta reveals the following

4. Nature and Duration of illness at the

Time of Admission - Pain in abdomen & vomiting

6. Did the deceased suffer from any medical

Ailments in the past - No information

7. What was the diagnosis arrived at in the

Hospital - Gastric

8. Please provide details and dates of the

Investigation conducted during the stay

In the hospital **Not done – patient died suddenly**

10. When was the diagnosis confirm - NIL

14. Please give details of treatment

Rendered to the deceased - NIL

15. Was she treated in the hospital on

Any previous occasion as an outpatient. **No history**

WHEREAS THE FORM 'D' PRESENTED BY THE RESPONDENT AND CERTIFIED BY THE SAME DOCTOR ON 31.10.2008 WHICH REVEALS CONTRADICTION AS UNDER:-

4. Nature and Duration of illness at the

Time of Admission - Pain in abdomen & vomiting

6. Did the deceased suffer from any medical

Ailments in the past - Sickle cell disease

7. What was the diagnosis arrived at in the

Hospital - Known patient

8. Please provide details and dates of the

Investigation conducted during the stay

In the hospital NIL

10. When was the diagnosis confirm - known patient of sickle cell

14. Please give details of treatment

Rendered to the deceased - treatment sheet attached.

15. Was she treated in the hospital on

Any previous occasion as an outpatient. ---nil---

From the above contradiction contained in form 'C' and 'D' leads to believe that the respondent has managed to change the medical statement forms to avoid the payment of claim.

The respondent presented by Smt. Babita Vishwas, Asst.Manager (Operation) that the proposal was completed by the DLA on 31.05.2008 and died on 22.08.2008. Being an early death claim the investigation was conducted which reveals that the DLA was suffering from sickle anemia since childhood, which was material to disclosed at the time of filling in the proposal form on 31.05.2008. She had not mentioned the same in reply of question no. 3(viii) in the proposal form. If she had disclosed the same the insurance would not have been granted to her. Hence the claim is rightly repudiated and appeal may be dismissed.

FINDINGS & CONCLUSIONS:-

The form 'C' and 'D' and death certificate issued by the Sanjeevan Nursing Home on 28.09.2008 and 31.10.2008 signed by the same Doctor but some of reply are contradictory, which requires to be verified from the hospital records. This forum has no power to call for the above records for verification. It also requires to call the persons who have certified the statements and to verify the authenticity.

Under the circumstance I am of the opinion that it will be injustice to decide the case at our end without authenticated records, proof & witness. Hence the complaint is dismissed.

Dated at BHOPAL, on 19th February, 2009

SL.No.2.

OFFICE OF THE INSURANCE OMBUDSMAN

Smt. Annapurna Reddy V/S L.I.C.Of INDIA

Order No. BPL/LI/02-09/56 Case No.LI-139-20/08-09/RPR

Brief Background

Smt. Annapurna Reddy w/o Late Shri Dharam Raj Naidu (Reddy) resident of Abhanpur, Distt. Raipur (hereafter called as complainant) has lodged the complaint that her husband has taken a policy no. 308088996 under T/T 123-12 for SA of Rs. 1.00 lakh under SSS Plan on 28.03.2001. The Life Assured died on 01.05.2002 the claim preferred by the complainant rejected by the respondent due to non-payment of premium.

Aggrieved by the action of the respondent, the complainant has lodged the complaint seeking direction to respondent to pay Full SA under the policy as they have paid the premium under SSS policy vide receipt no. 8442 dated 8.02.2002 for Rs. 11572.00 by cheque for 11 months monthly premium @ 1052 and one premium i.e. for the month of March l 2002 was deducted from his salary. Hence, the policy was in force at the time of death of the Life Assured.

For the sake of natural justice hearing was fixed on 09/02/2009 at camp – Raipur. The Complainant was presented herself and presented that policy was in full force at the time of the death of Life Assured. She should be paid the full sum assured i.e. Rs. 1.00 lakh. She has never received any correspondence in this regard from the respondent.

The respondent represented that the policy was issued on 28.03.2001 under SSS with premium of Rs. 1052.00. Initially only two SSS premium was received under the policy. Thereafter, there was no deduction from the salary of the deceased. The payment of Rs. 11572.00 made by cheque on 08.02.2002 towards the new proposal deposit and the cheque was **dishonored by the bank and produced the certificate of Bank A/c showing debit entry of dishonoured cheque.** The premium deducted from the salary of March 2002 was adjusted by the LIC but the policy was under lapsed condition, hence nothing is payable.

The Bank statement showing the debit entry of Rs 11572.00 proves that the premium amount is not paid under the policy, hence the policy was under the lapsed condition. In view of the above the action of the respondent is fair & just, and required no intervention. Hence the complaint is dismissed; however, the respondent is ordered to refund Rs. 1052.00 last premium adjusted towards March 2002 after lapse of the policy with interest.

Dated at BHOPAL, on 18th February, 2009

SL.No.3

OFFICE OF THE INSURANCE OMBUDSMAN

Shri Ramchandar Saket ……V/S LIC, DO, SATNA.

Order No. BPL/LI/08-09/52 Case No.LI-162-21/08-09/STN

Brief Background

Shri Ramchandra Saket resident of Vill. Pali Post Jamu of Rewa Distt. M.P. (hereafter called as complainant) has lodged the complaint that his son Jitendra Kumar Saket (DLA) was insured under policy no.376385714 for Rs.1.00 lakh under plan & term 150-18 on 28.07.2005 died on 10.12.2006 due to suicide. Death claim preferred by the complainant repudiated by the respondent on 29.04.2008 on the ground of non disclosure of material fact.

Aggrieved from the action of the respondent the complainant has lodged the complaint seeking direction to respondent to make the death claim payment under the above policy.

For the sake of natural justice hearing was fixed on 16/01/2009. The Complainant presented himself and told that his son was Jeep Driver, as a profession and submitted a copy of Driving License. He confirmed that DLA's left hand was damaged due to fall from tree in his childhood,

for which he was getting compensation as physical handicapped. He requested to pay the full Sum Assured under the policy, as being a genuine case.

Respondent submitted that being an early death claim, investigation conducted which reveals that DLA was physically handicapped and submitted a certificate issued by Medical Board, Distt. Rewa, certifying 40% disability of DLA. The Bima Kiran policy was issued to DLA, was a high risk plan, with lower rates of premiums; being issued to the standard life only. The DLA was physically handicapped having a deformity of 40%, was not eligible for the above policy. Had he mentioned this fact in the proposal form, the above policy would not have been issued to him. Whereas, while filling in the proposal form he replied question no. **11(f) Do you have any bodily defect or deformity as - " NO"** which is a clear cut non-disclosure of material fact.

The proposal form submitted has not mentioned the physical deformity of the DLA. The certificate issued by Medical Board, Distt. Rewa,M.P. confirms that the DLA was physically handicapped of 40%.

Under these circumstances; I am of the considered opinion the action of the respondent is just & fair. Hence, the complaint is dismissed without any relief.

Dated at BHOPAL, on 19th January,2009

SL.No.4

OFFICE OF THE INSURANCE OMBUDSMAN

Smt. Saroj Ramchandani----------V/ S L.I.C. OF INDIA, D.O.Indore

Order No. BPL/LI/08-09/47 Case No.LI-206-24/08-09/IND

Brief Background

Smt. Saroj Ramchandani resident of Indore (hereafter called as complainant) has lodged the complaint that her husband Shri Narayandas Ramchandani (DLA) was insured under two policies viz. 344397075 and 76 taken on 8.09.2006 for Rs. 50,000/- each under plan 14-21 died on 07.04.2007; due to heart attack. The death Claim preferred by the complainant under the said policies was repudiated by the respondent on the ground of **suppression of material fact.**

Aggrieved from the decision of the respondent the complainant has lodged the complaint seeking direction to respondent to settle the claim under the said policies. For the sake of natural justice hearing was fixed on **15/01/09.** Complainant was present in person and submitted that her husband was a patient of heart disease and he was admitted at Suyog hospital, Indore on 03.08.2006. Immediately thereafter he was insured for the above policies and the agent under whose agency the policies were taken is close to them and **well aware of the facts regarding his health** and ignored the same while filling in the proposal form, for which they are not responsible and the respondent should pay the claim amount to her.

The respondent submitted that the death has occurred during the first year of the policy, investigation was conducted which reveals that he was a patient of heart disease and admitted in Suyog Hospital on 03.08.2006 for treatment. Immediately thereafter on 8.09.2006 he proposed for two insurance policies wherein while filling in the proposal form, he did not disclosed the above facts regarding his health. As regards, the knowledge of the agent and his act to fill in the proposal form did not bring any liability for the company. The declaration of the proposal form signed by him clearly states that the proposal form shall be the basis of the contract and if any untrue averment content therein the contract shall be absolutely null & void and all moneys will be forfeited by the company.

The documentary evidence produced by the respondent i.e. Suyog Hospital Treatment Record proves that the DLA was treated for chest pain on 03.08.2006 and the death has occurred due to heart attack, which was necessary to disclosed while filling up the proposal form, would have definitely affect the underwriting decision.

Under these circumstances, I am of the considered opinion that decision taken by the Respondent is just and fair and does not required any interference. The complaint is dismissed without any relief.

Dated at Bhopal, On 15th day of January, 2009

SL.No.5

BHOPAL OMBUDSMAN CENTRE

Smt. Prabha Vyas V/S L.I.C. OF INDIA, D.O.Indore

Order No. BPL/LI/08-09/46 Case No.LI-138-20/08-09/IND

Brief Background

Smt. Prabha Vyas resident of Ratlam (hereafter called as complainant) has lodged the complaint that her son Nilesh Vyas (DLA) was insured under five policies viz. 341027400, 341027870, 342465136, 341027872 and 341027871 for Rs.40000, 80,000/-, 50,000/-, 40,000/- and 40,000/- under various plans died on 15.07.2005; due to accident while crossing the closed Railway Track. The accident Claim preferred by the complainant under the said policies was repudiated by the respondent on the ground of **breach of law**.

Aggrieved from the decision of the respondent the complainant has lodged the complaint seeking direction to respondent to settle the claim under the said policies. For the sake of natural justice hearing was fixed on **15/01/09.** Complainant was present in person and she submitted that her son died in the accident while crossing the closed Railway Track, she has submitted the letter dated 06.10.2006 issued by police authority Ratlam certifying that the death has occurred due to railway accident but there is no need of intervention of police. On the basis of which she claimed that death has occurred due to accident the respondent is supposed to pay the accident benefit under the above policies, she confirms that she has received basic S.A. under all the policies. The respondent submitted that the basic Sum Assured has already paid to the nominee of DLA. Accident Benefit is not payable as the death is occurred due to accident while crossing the closed railway track, it was a breach of law. As per the terms & condition of the policy if accident has occurred due to breach of law it is not payable.

It is also admitted by the mother & father of the DLA that the accident took place while the crossing the closed railway track which is breach of law.

Under these circumstances, the complaint is dismissed without any relief.

Date of Order:- 15/01/2009

SL.No.6

OFFICE OF THE INSURANCE OMBUDSMAN

SHRI. M.P.Chauhan …… V./ S L.I.C. OF INDIA, D.O.Bhopal

Order No. BPL/LI/08-09/42 Case No. LI-217-24/11-08/BPL

Brief Background

Shri M.P.Chauhan resident of Vidisha, M.P. (hereafter called as complainant) has lodged the complaint that his daughter Amita was insured under two policies nos. 352101390 & 352093757, and she died on 21.05.2006 due to brain haemorrhage, HTN, Nephritis. The claim under pol.no. 352093757 paid by the respondent whereas the claim under pol.no. 352101390 for Rs.100000/ repudiated by the respondent vide letter dated 24.03.2008 on the basis of suppression of material facts.

Aggrieved from the action of the respondent the complainant has lodged the complaint seeking direction to the respondent to pay the full amount under the policy.

For the sake of natural justice hearing was fixed on 29/12/08, the **complainant** represented himself and submitted that his daughter was student studying in higher secondary school and she was quite healthy at the time of taking insurance under both the policy and has never visited Nagpur for the alleged treatment of his daughter.

Respondent submitted that the DLA has taken two policies on dt.05.01.2006 and 22-09-2004 died on 21.05.2006, hence being early death claim, investigation was conducted, which reveals that the DLA was suffering from kidney failure since march,2005 and produced the certificate dated 25-10-2007 of Dr. J.S.Acharya, Acharya Dialysis Centre and Kidney Hospital. As per claim form-B i.e. medical attendant certificate issued by Dr. S.D.Bhaisare certifying that primary cause of death was hyper tension with intracranial hemorrhage with brain stem compression and the secondary cause of death was Lupus Nephritis with chronic renal failure, and the history of the illness has been stated as half year. While filling the proposal form for insurance, the above material facts were not disclosed. If they had disclosed the same, the underwriting decision would have been different. Hence the claim is rightly repudiated.

The Proposal form duly signed by the DLA dated 05.01.2006 does not reveals anything adverse regarding the health of DLA. Whereas, the claim form B and certificate issued by Acharya Dialysis Centre & Kidney Hospital dated 25-10-07 proves that DLA was suffering from kidney problem since March, 2005.Hence suppression of material facts also proves.

The appeal is dismissed.

Dated at BHOPAL, on 30th December,2008

SL.No.7

OFFICE OF THE INSURANCE OMBUDSMAN

Smt. Kalavati Jayswal V./ S L.I.C. OF INDIA, D.O.INDORE

Order No. BPL/LI/08-09/41 Case No. LI-151-24/08-09/IND

Brief Background

Smt. Kalawati Jayswal, w/o Shri Kishor Chandra Jayswal resident of Bandawar, Dhar ,M.P (hereafter called as complainant) has lodged the complaint that her daughter was insured under policy no. 342821903 on 20/07/2001 under P&T 14-15 for Rs.40,000/-. The Date of commencement of the policy was 08.06.2001 and she died on 29.10.2002 due to burn at her residence. The claim for Rs.80000 plus bonus has been rejected by the respondent on 24/12/2003 and paid only RS.4206/ on 31.07.2008. Aggrieved from the action of the respondent, the complainant has lodged the complaint seeking direction to the respondent to pay Rs. 80000/ plus bonus under the policy.

For the sake of natural justice hearing was fixed on 23/12/08, the **complainant** represented herself and submitted that her daughter insured under the policy died on 29/10/2002 due to burn by stove at her residence. Instead of payment of Rs.80000/ plus bonus respondent has paid me just Rs. 4206/ after about 6 years is not enough.

Respondent Submitted that the DLA has taken policy on 28.06.2001. She was housewife aged 25 years hence clause 4[B] was imposed with her consent, which states that

"Notwithstanding anything within mentioned to the contrary, it is hereby declared and agreed that in the event of death of life assured occurring as a result of intentional self-injury, suicide or attempted suicide, insanity, accident other than public place or murder at any time on or after the

date on which the risk under the policy has commenced but before the expiry of three years from the date of this policy the corporation liability shall be limited to the sum equal to the total amount of premiums [exclusive of extra premiums if any] paid under this policy without interest".

Under the circumstances the payment of RS.4206/ made by cheque 150839 dt. 31/07/2008 drawn on central bank of India, is correct and Respondent also produced the bank statement showing that the said cheque is encashed on 15/10/2008.

The respondent is directed to pay panel interest for delay in settlement of claim, within 15 days from the date of receipt this order, failing of which interest would be payable @ 9 %.

Dated at BHOPAL, on 29th December,2008

SL.No.8

OFFICE OF THE INSURANCE OMBUDSMAN

Smt. Durga Bai Mangrolia V./ S L.I.C. OF INDIA, D.O.INDORE

Order No. BPL/LI/08-09/39 Case No. LI-184-21/08-09/IND

Brief Background

Smt. Durga Bai Mangrolia, w/o Late Shri Madanlal Mangrolia resident of Nisarpur, Dhar Distt (hereafter called as complainant) has lodged the complaint that her husband has a policy no. 345155661 taken under Plan No. 180/20 for Rs. 100,000/-. The Date of commencement of the policy was 2.03.2007 and he died on 23.08.2007 due to Diarrhoea. The claim was repudiated by the company vide their letter dated 21.04.2008 on the basis of suppression of material facts.

Aggrieved from the action of the respondent the complainant has lodged the complaint seeking direction to the respondent to pay the full amount under the policy.

For the sake of natural justice hearing was fixed on 23/12/08, the **complainant** represented herself and submitted that her husband was a teacher and he was quite healthy and discharging his duties actively as a teacher.

Respondent was represented by Shri Godbole, Manager(Claims) L.I.C. Of India, Divisional Office Indore, and submitted that the DLA has taken policy on 02.03.2007 and died on 28.08.2007 within six month he died, hence being early death claim, investigation was conducted, which reveals that the DLA was suffering from Diabetes Mellitus for which he

admitted in Choithram Hospital on 13.06.2002. While taking the policy he has not disclosed the above facts and if he had disclosed the same the under-writing decision would have been different. Respondent produced a copy of Discharge slip of Choithram Hospital Indore certifying that DLA was suffering from DM, Hypertension, Seizures – Focal GTC and Diabetes Mellitus. But as the policy was LIC's Money Plus Policy which is an investment plan. Only Unit value of the policy will be payable.

The Proposal form duly signed by the DLA dated 24.02.2007 does not reveals anything adverse regarding the health of DLA. Whereas, the discharge slip issued by Choithram Hospital proves that DLA has taken the treatment of Hypertension and Diabetes from 2002. The biochemical profile dated 14.06.2002 and 13.06.2002 also proves that DLA was suffering from diabetes.

Under the circumstances I am of the considered opinion that the action taken by the Respondent is just and fair but unit value of the policy is not paid to the complainant. The respondent is directed to pay the fund value with interest on the basis of NAV prevailing on the date of receipt of the intimation of death under the above policy within 15 days from the date of receipt of this order, failing of which interest would be payable @ 9%.

Dated at BHOPAL, on 24th December,2008

SL.No.9

OFFICE OF THE INSURANCE OMBUDSMAN

Smt. Krishna Nihore …… V./ S L.I.C. OF INDIA, D.O.INDORE

Order No. BPL/LI/08-09/38 Case No. LI-172-21/08-09/IND

Brief Background

Smt. Krishna Nihore, w/o Late Shri Jagdish Nihore resident of Indore (hereafter called as complainant) has lodged the complaint that her husband has a policy no. 344194595 taken under Plan No. 14/21 for Rs. 60,000/- . The Date of commencement of the policy was 28.08.2005 and he died on 20.12.2007 due to heart attack. The claim was repudiated by the company vide their letter dated 07.05.2008 on the basis of suppression of material facts.

Aggrieved from the action of the respondent the complainant has lodged the complaint seeking direction to the respondent to pay the full amount under the policy.

For the sake of natural justice hearing was fixed on 23/12/08, the **complainant** represented herself and submitted that her husband was a cashier in Bank of India and he was healthy at the time of taking the policy. But he has a habit of taking alcohol and due to which he sometimes

has liver problem which was cured through treatment. Due to financial problems the premium due under the policy was not paid for some time which was revived on 17.11.2007 and he died on 20.12.2007 due to heart attack. He has availed leave on false medical ground as he has not sufficient other leaves for some period but he was healthy and discharging his duties actively.

Respondent was represented by Shri Godbole, Manager(Claims) L.I.C. Of India, Divisional Office Indore, and submitted that the DLA has revived the policy on 17.11.2007 and thereafter within one month and nine days he died, hence being an early death claim, investigation was conducted, which reveals that the DLA was suffering from Hyper-tension, liver problem and Bronco Pneumonia for which he has availed sick leave for 12 days from 15.12.2005 to 26.12.05. While reviving the policy he has not disclosed the above facts and if he had disclosed the same, the revival decision would have been different. Respondent produced a copy of certificate of Dr. R.K. Mittal dated 26.12.2005 certifying that DLA was suffering from **Bronco Pneumonia** from 15.12.2005 to 26.12.2005 submitted by the DLA to his employer to avail leave.

The declaration of good health does not reveal anything adverse regarding the health of DLA. Whereas, the certificate issued by the Dr. Mittal proves that DLA has taken the treatment for Bronco Pneumonia from 15.12.2005 to 26.12.2005. The claim form no. 3802 (Revised) completed by Dr. R.K. Mittal dated 15.03.2008 proves that the DLA was suffering from Cirrhosis of Liver since last 2 years

The complaint is dismissed without any relief.

Dated at BHOPAL, on 24th December,2008

SL.No.10

OFFICE OF THE INSURANCE OMBUDSMAN

Shri Neelesh Agrawal …V/ S SBI Life, Mumbai

Order No. BPL/LI/08-09/36 Case No.SBI-208-20/10-08/MUM

Brief Background

Shri Neelesh Agarwal Resident of Jabalpur M.P(.hereafter called as complainant) has lodged the complaint that his father late Shri Rajendra Agarwal under policy no.24017863304 for Rs.150000/- under plan SBI Life Unit Plus-2 Regular, taken on 18.01.07 and he died on

26.01.2008 due to heart attack. Claim was preferred by the claimant for full S.A. under the policy repudiated by the respondent on the ground of non-disclosure of material fact.

Aggrieved from the decision of the respondent the complainant has lodged the complaint seeking direction to respondent to settle the claim.

For the sake of natural justice hearing was fixed on 18/12/2008. The Complainant presented himself and told that his father was a Doctor aged about 65 years at the time of taking of the policy from SBI Life Insurance, While taking the insurance the agent has not explained him anything about the consequences of the answers given by his father and in the proposal form did not take medical report for insurance.

Respondent submitted that the proposal form duly signed by the DLA did not reveale the correct information regarding his health. Being an early death claim investigation was conducted, which reveals that DLA was operated for CABG in 1996 and he was also a patient of diabetes and Heart Disease. The DLA was himself Doctor and was aware that he was suffering from heart disease but failed to disclose correctly while filling in the proposal form which is a breach of contract. The insured person is supposed to divulge all the information regarding his health for the correct assessment of the risk by the insurer. The insured is in a better position to know about own health than the insurer.

The fund value of Rs. 25853.00 has been paid to the claimant.

The hospital record produced by the respondent of National Hospital reveals that DLA was a patient of known case of diabetes Mellitus and Heart disease and also operated for CABG in 1996 was material to disclose in the proposal form. Under the circumstances the complaint is dismissed without any relief.

Dated at BHOPAL, On 19th December,2008

SL.No.11

OFFICE OF THE INSURANCE OMBUDSMAN

Shri Bhagwandas Andhwan……V/s LICI Jabalpur

Order No. BPL/LI/08-09/35 Case No. LI-165-21/08-09/JBP

Brief Background

Shri Bhagwandas Andhwan resident of Pipariya Bhasuda Theh. Dhansur Distt. Seoni (M.P.) [hereinafter called Complainant] has taken a LIC Insurance Policy number 373526633 under Table/Term Bima Gold Policy for Rs. 40,0000 on 28-03-2006 on the life of his wife Late Smt. Archana Andhwan. She died on 05.09.2007 by hanging over herself in her residence. The claim lodged by her husband is repudiated by LIC vide their letter dated 28.02.2008 stating that clause IV-B was operative under the policy for 3 years hence nothing is payable except refund of premium with interest.

Aggrieved from the decision of the respondent, the complainant registered his complaint to this forum. The complaint was registered and necessary forms were issued to both the parties.

For the sake of natural justice hearing was fixed on 18/12/08, the **complainant** represented himself and submitted that the claim is repudiated by LIC and he has not received a single penny from the Insurance company despite the provision of Clause IV B i.e. refund of premium with interest.

Respondent represented that the insured diseased was house wife hence as per the rules of the corporation clause IV-B was imposed under the policy which contains that if the life assured dies due to suicide other than public place within 3 years from the date of commencement of the policy only refund of premium with interest is payable.

On inquiry by the Ombudsman to the respondent regarding the details of refund of premium with interest respondent confirmed that it is yet to be paid. Again on further inquiry regarding the consent of the diseased L.I. for clause –IV-B was also not available with the respondent.

I have gone through the submission. There is no doubt that policy was issued to the complainant's wife with clause – IV-B without the consent of the diseased Life Assured, which proves unilateral action of the company. Further, it is also proved that respondent has failed to make the payment of refund of premium with interest to the complainant. It is therefore, directed to the respondent to make the full payment of Sum Assured of Rs. 40,000/- to the complainant within 15 days from the date of receipt of this order, failing which with interest @ 9% will be payable.

Dated at BHOPAL, on 19.12.2008

SL.No.12

OFFICE OF THE INSURANCE OMBUDSMAN

Smt. Sundar Nachiyar ……V./ S LIC of India, Bhopal.

Order No. BPL/LI/08-09/45 Case No. LI-258-20/12-08/BPL

Brief Background

Smt. Sundar Nachiyar, resident of Sarni, M.P. (hereafter called as complainant) has lodged the complaint that her husband Late Shri Shanmugam was insured under pol.no. 371639563 and 351045430 for Rs. 75,000 and 1.00 lakh under plan 14-10 on 22.09.2004 and 28.10.2003 respectively. The DLA died on 22.03.2007 due to Brain Hemorrhage and Paralysis. The claim preferred by the complainant repudiated by the respondent on 31.07.2008 on the ground of non-disclosure of material fact.

Aggrieved from the decision of the respondent the complainant has lodged the complaint seeking direction to the respondent to pay the full amount under the above policies.

For the sake of natural justice hearing was fixed on 14/01/09. Complainant Smt. Sundar Nachiyar, presented herself and submitted that her husband was in the service of MPEB, Sarni and he was quite healthy before his death. The statement of respondent that he was a patient of seizure disorder since last 7 years is totally wrong. He has availed the leave from his services for fracture of leg and for abdominal pain. The Doctor has written seizure disorder since last 7 years is due to language problem actually he was sick since 7 days prior to the admission in the Hospital.

Respondent submitted that as per the claim form B and B1 (Medical Attendant Certificates and hospital certificate) it was disclosed that the DLA was suffering from seizure disorder since last 7 years as per the statement of the relative taken at the time of admission in the Hospital by the Doctor and produced the leave record of the DLA availed leave from his employer on the ground of Medical Reports.

The respondent has repudiated the claim on the ground of suppression of material fact after two & half years and three & half years from the date of the completion of policies, but they have no record of previous disease except Medical Treatment Certificate (Form B & B1) issued by the Hospital. Cause of death was Brain **Hemorrhage and Paralytic attack** which has no nexus with the deceased from which he was suffering. The certificate issued by the Doctor for leave availed by the employee has **no mention of seizure disorder disease.**

The respondent is failed to submit **indisputable proof** for seizure disorder.

Under these circumstances, I am of the considered opinion that the decision taken by the respondent is **not justified**. Hence the respondent is hereby directed to pay the **full claim amount** under both the policies within 15 days from the date of the receipt of this order, failing which interest @ 9% will be payable.

Dated at BHOPAL, on 14th January, 2009

SL.No.13

OFFICE OF THE INSURANCE OMBUDSMAN

Smt. Indira Bai Jaiswal…… V/S LIC of India

Order No. BPL/LI/02-09/62 Case No.LI-201-21/10-08/IND

Brief Background

Smt. Indira Bai Jaiswal resident of Devla Distt. Badwani M.P. hereafter called as complainant) has lodged the complaint that her husband was insured under policy no. 344529178 for Rs. 1.00 lakh under Bima Gold Plan w.e.f. 28.03.2006 died on 08.08.2006. Claim preferred by her repudiated by the respondent on 26.09.2007.

Aggrieved from the action of the respondent the complainant has lodged the complaint seeking direction to respondent to pay the claim amount.

For the sake of natural justice hearing was fixed on 15/01/2009 at Bhopal Office but the complainant did not attended, again the hearing was fixed on 16.02.2009. The Complainant was present herself and represented that her husband was only 22 years old and enjoying good health. All of a sudden he died. The claim is repudiated by the respondent on false ground.

The respondent represented that the policy was issued under Bima Gold Plan on 28.03.2006 and DLA died on 08.08.2006 due to Chicken guinea fever. Being an early death claim investigation was conducted, during investigation it reveals that the DLA was known case of diabetes since last 5 years and the real cause of death was diabetes and Renal failure. As per the medical certificate of cause of death issued in form No. 8 & 8A by Aastha Intensive Care Centre Pvt. Ltd., Dhule – MS. The discharge summary of Astha Hospital reveals that the DLA was a patient of Diabetes since 5 years and the same is also reflected in claim form 'D' issued by the hospital authority. Whereas, while filling in the proposal form for the above policy the DLA has replied as under:-

11(e) Are you suffering from or have you ever suffered from **Diabetics,** T.B. Tuber-culosis, High blood pressure, Low blood pressure, Cancer, Epilepsy, Hernia, Hydrocele, Leprosy or any other disease - NO

11(ii) What has been your usual state of health? - Good

Had he replied the above questions correctly the insurance would not have been granted to the DLA. Hence the decision of repudiation is justified.

FINDINGS & CONCLUSIONS:-;

The hospital records produced by the respondent proves that the DLA was a known patient of diabetes since 5 years which is did not disclosed in the proposal form while filling it on 31.03.2006.

Hence the decision taken by the respondent is just & fair requires no interference. In view of the above the complaint is dismissed without any relief.

Dated at BHOPAL, on 19th February, 2009

SL.No.14

OFFICE OF THE INSURANCE OMBUDSMAN

Shri Jaikishan Jhurani …… V/ S L.I.C. OF INDIA,

Order No. BPL/LI/08-09/26 Case No.LI-157-21/08-09/BPL

Brief Background

Shri Jaikishan Jhurani Resident of Bhopal, (M.P) (hereafter called as complainant) has lodged the complaint that his wife Smt. Kalavati Jhurani was insured under policy no. 352297224 on 20.04.2005 of Rs.115000/ under plan 14/21. **The DLA died on** 06.11.2007 due to Sever Aneamia with CCF. The claim preferred by the claimant for insurance was repudiated by the ZO, CRC on 11.04.2008 on the ground of non disclosure of material fact.

Aggrieved from the decision of the respondent the complainant has lodged the complaint seeking direction to respondent to settle the claim under the said policy.

For the sake of natural justice hearing was fixed on 16/10/08.

Complainant represented that the DLA was quite healthy at the time of taking the insurance i.e. on 13.10.2005 and she was employee with State Govt. and working in Health Department. She has availed the leave to attend the domestic work on false medical certificate. Actually she was never suffered from jaundice.

The responded submitted that the above policy was proposed for insurance on 13.10.2005 and the LA died on 06.11.2007 within the duration of 2 years 23 days which comes as early death claim, hence investigation was conducted. The employee was Govt. servant in health department

The Medical Attendant's Certificate claim form "B" shows that the primary cause of death was cardio Circulatory Failure and Secondary cause was severe anemia as per claim form B-1 the DLA had the history of diabetes mellitus. The DLA has availed leave on medical ground from 25.09.2003 to 01.10.2003 for acute conjunctivitis and from 03.01.2004 to 09.01.2004 for viral fever and from 03.02.2004 to 20.02.2004 for jaundice and produced medical certificates which were not mentioned in her proposal form for insurance was material to disclose. She replied the following question Nos. 11(a) to 11(e) as "NO".

Had the DLA replied the above question correctly, the underwriting decision would have been different. The secondary cause of death was severe anemia has nexus with the DLA from which the DLA was suffered.

FINDINGS & CONCLUSIONS;

There is no doubt that Pol. No. 352297224 was issued to the life assured.

It is also proved that LA has availed the leave on medical ground before the taking the insurance policy from respondent; which she did not disclosed in the proposal form.

Insurance is a contract of utmost good faith, both the parties are expected to disclose all the material facts correctly. Under the circumstances I am of the considered opinion that decision taken by the Respondent is just and fair and does not required any interference. The complaint is dismissed without any relief.

Dated at BHOPAL, On 17th October,2008

BHUBANESHWAR

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0233

Sri Dillip Kumar Sahoo

V/s

Life Insurance Corporation of India

(Khurda B.O. of Bhubaneswar D.O.)

Award dated 25th Nov. 2008

FACT: -

The mother of the complainant was having insurance policy from L.I.C.I. for Rs.33000/- with commencement date 12/02/2004. She expired on 08/07/2004.The claim was repudiated on 30/03/2005 on ground of suppression of material facts as regards to health. The insurer had taken the stand that the L.A. died due to G.E.R.D. Anemia and Masonic black stool. During investigation it was revealed that she was suffering before taking the policy and more over in Claim Form B in column 4© it was mentioned by the attending Medical Officer that the suffering was for 2 years. The complainant on the other hand submitted that it was mentioned through oversight. The said Dr. P.C Mondal in his letter dated 13.04.2005 clarified that the suffering period was two days only but wrongly mention was two years.

AWARD:-

The honorable Ombudsman observed that the copy of the letter of Dr. P.C Mondal was send to the insurer by the complainant. No investigation appears to half made under what circumstances this certificate was issued by the doctor. The silence of the insurer in this respect would suggest that they have accepted the clarification giving by Dr. Mandal. So now it can be concluded that DLA did not suffer prior to the proposal.

So the repudiation was set aside. The insurer was directed to pay the sum assured with consequential benefits with complainant within one month from the date of order.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0243

Smt. M.G.Bhavani Vrs Life Insurance Corporation of India

(Khurda B.O. of Bhubaneswar D.O.)

Award dated 21st November 2008

FACT: -

The husband of the complainant was having insurance policy from L.I.C.I. for Rs.200000/- with commencement date 28/12/2004. He expired on 16/07/2006.The claim was repudiated on ground of the policy was in lapsed condition on the date of death. They found gap due for Feb.2005 and the other for last three months before death. The complainant submitted that there was no intimation from L.I.C in this regard. Had it been intimated in time, her husband could have deposited the dues before death.

AWARD:-

The honorable Ombudsman observed that it was lapsation on the part of the Insurer for not intimating the gap dues under salary saving scheme. So neither the deceased policy holder nor the complainant can be held responsible. Secondly, the purpose of insurance being the benefit to the nominee, liberal view is required in case of death claim. The claim should not be repudiated on technical ground. The decision of Apex court in the case of DESU vs. Basanti Devi was quoted.

So the repudiation was set aside. The insurer was directed to pay the sum assured

With consequential benefits after deducting gap dues to the complainant within one month from the date of order.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0251

Smt. A.Rath Vrs Life Insurance Corporation of India

(Kendrapada B.O. of Cuttack D.O.)

Award dated 19th November' 2008

FACT: -

The husband of the complainant was having insurance policy from L.I.C.I. for Rs.50000/- with commencement date 15.09.1999. He expired on 25/03/2002.The claim was not settled for full S.A plus Bonus and rather settled for 25000 S.A on the ground that the policy was in lapsed condition due to non-receipt of premium by LICI from December'01 till February'2002 (3 monthly dues). The complainant submitted that the salary for those three months was delayed because of delay in grant-in-aid to the college. After death the college prepared the salary bill and remitted the premiums to the Insurer who refused to accept the premium as the L.A had died. There was no intimation from L.I.C regarding non-receipt of the above three premiums during the lifetime of L.A. Had it been intimated in time, her husband could have deposited the dues before death.

AWARD:-

The honorable Ombudsman observed that the delay in remittance of premium was due to delay in salary disbursement for which the L.A was not responsible. Secondly, it was lapse on the part of the Insurer for not intimating the non-receipt of the premiums under salary saving scheme. So neither the deceased policy holder nor the complainant can be held responsible. The decision of Apex court in the case of DESU vs. Basanti Devi was quoted.

So the insurer was directed to pay the full sum assured along with bonus as admissible after deduction of premium amt. for three months which have not been paid and Rs.25000/- paid already to the complainant within one month from the date of order.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0252

Sri Biswarupa Dash Vrs Life Insurance Corporation of India

(C.A.Branch of Bhubaneswar D.O.)

Award dated 27th November' 2008

FACT: -

The complainant's mother was having insurance policy from L.I.C.I. for Rs.50000/- with commencement date 28.12.2001 under Jeevan Sneha plan for 20 yrs. She expired on 15/10/2003.The claim was repudiated on the ground of suppression of material fact i.e date of birth. As per school certificate, her D.O.B was 16/04/1948 where as in the proposal, it was stated as 10/10/1951. On the date of proposal, her age was more than 50 yrs but as it was shown as 50 yrs in the age proof extract and proposal J.Sneha was allowed to her. The complainant submitted

that her mother had submitted all the papers including copy of the school certificate to the concerned agent of LICI. Secondly, she being a school teacher would not have dared to give wrong D.O.B as the same was easily verifiable from her office records.

AWARD:-

The honorable Ombudsman observed that the D.O.B of the DLA was 16/04/1948 without dispute as revealed from the copy of the school certificate collected. Secondly, it was the responsibility of the Insurer to collect the school certificate to authenticate the extract made. Mover, the Insurer should have exercised more caution in this case as the stated age was in the borderline. It is also an admitted fact, had the correct age been disclosed in the proposal, the plan would not have been allowed. The proposal and the extract was completed by the agent of the Insurer. The Insurer could have produced the agent before the forum to explain under what circumstances wrong D.O.B was extracted. Lapsation was observed from both the sides.

So the Insurer was directed to pay Rs.20000/- as ex-gratia as a special case within one month from the date of receipt of the complainant's consent letter.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.24-001-0538

Sri Pratap Kumar Mishra Vrs Life Insurance Corporation of India

(Keonjhar Branch of Cuttack D.O.)

Award dated 24th November' 2008

FACT: -

The complainant's mother was having two insurance policies, one under Jeevan Anand plan for Rs.1,00,000/- and other under Children's Deferred Assurance for Rs.2,00,000/- from L.I.C.I. both with commencement date 28.03.2005. She expired on 04/05/2005. The claim was repudiated on the ground of suppression of material fact as regards her marital status. In the proposal, it was mentioned her husband was alive at the time of proposal but according to the Insurer her husband died on 26/01/2005 before the date of proposal. The death certificate of the husband was submitted. Had it been disclosed in the proposal, the above Insurance cover would not have been allowed. The complainant submitted that her mother had mentioned the death of her husband in the proposal but the same had been scoured by the agent of the Insurer without her knowledge. So the Insurer was directed to produce the concerned agent with valid IRDA license on a prefixed date to explain the circumstances but he failed to appear.

AWARD:-

The honorable Ombudsman observed that the original information in the family history and husband details columns have been tampered. Morever, the agent's role appears to be dubious as he didn't appear to put forth his views in spite of the intimation by the forum well in advance. The ill intention of the proposer is not established. The mischief appears to have been committed by the agent in connivance with the officials of the Insurer.

So the Insurer was directed to settle the benefits under the policies as per policy conditions. It was also, suggested to investigate the matter related to tampering and take appropriate action against the concerned agent and officials.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-002-0256

Sri Susama Baral Vrs SBI Life Insurance Company Ltd.

Award dated 16th December' 2008

FACT: -

The complainant's husband was a member of group insurance policy "Super Suraksha" w.e.f 17/06/2004 for insured amount of Rs.1,00,000/-. He expired on 20/03/2005 due to cardio respiratory failure. The claim was repudiated on the ground of suppression of material fact as regards to health of the insured. According to the Insurer, the insured had suffered from "Metastatic poorly differentiated Adenooarcinoma" prior to taking the policy. The complainant submitted that there was no suppression of material fact in the DGH and morever other insurance companies like LIC had settled claims on the basis of same material.

AWARD:-

The honorable Ombudsman observed that the Insurer has given more emphasis on the suppression of material fact in the DGH and repudiated the claim solely on this ground. But, the DGH form does not provide any provision to the effect that in case any declaration is found to be false or wrong, the Insurer would not be liable to pay the claim. Also, the general conditions of the policy does not provide for any such clause.

So the Insurer was directed to settle the benefits within one month from the date of receipt of the complainant's consent letter.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.24-003-0532

Smt. Gouribala Pradhan Vrs Tata AIG Life Insurance Company Ltd.

Award dated 15th December' 2008

FACT: -

The complainant's husband was having an insurance policy for 1,0,000/- with commencement date 27/12/2004. He expired on 08/03/2005. The claim was repudiated on the ground of suppression of material fact as regards to health of the insured. According to the Insurer, the insured had undergone treatment for carcinoma of stomach since April'2004 and was operated upon for the same disease in the month of July'2004 prior to taking the policy.

AWARD:-

The honorable Ombudsman observed that there was suppression of material fact which attracts Sec 45 of Insurance Act to repudiate the claim.

So the complaint stands dismissed.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-002-0262

Smt. Ch.Neelaveni Vrs SBI Life Insurance Company Ltd.

Award dated 30th January'2009

FACT: -

The complainant's husband was a member of group policy for availing house building loan with insurance cover for Rs.70,000/-. He expired on 08/03/2005. The claim was repudiated on the ground of suppression of material fact as regards to health of the insured. According to the Insurer, the insured was suffering from Chirrosis of Lever for last 3 yrs before death and had undergone treatment for the same at ESI Hospital.

AWARD:-

The honorable Ombudsman observed that much importance has been given on Medical Attendant's certificate by the Insurer. In the said certificate, in column "Duration of illness" it has been written 3 yrs. Except this noting of M.O, ESI Hospital, no other document produced by the Insurer to establish that the policy holder was ever treated for Chirrosis of

Lever. Mere noting made by the Medical Officer is not sufficient to support the plea of the Insurer.

So the Insurer was directed to pay the o/s loan amount with interest on the date of death to the bank from whom the loan has been availed within one month from the date of receipt of the complainant's consent letter.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.24-001-0547

Smt. Champa Guru Vrs L.I.C Of India

(Bhubaneswar Br-1 of Bhubaneswar DO)

Award dated 12th January'2009

FACT: -

The complainant's husband was having an insurance policy for Rs.10,000/- with commencement date 14/03/1981. He expired on 19/07/1983. The claim was lodged in 1991 after the policy bond was detected by claimant and the same was followed up with several reminders last being on 15/04/2006. The Insurer replied that nothing is payable under the policy as it has not acquired paid up value. The complainant was of the opinion that her husband had paid all premium dues though the payment receipts are not available with her. The Insurer submitted the premium ledger sheet pertaining to the year 1981 & 1982 which showed that only 3 Qly. premiums were deposited by the DLA. So the policy was in lapse condition on the date of death.

AWARD:-

The honorable Ombudsman observed that technically complainant is not entitled to get any benefit but considering the position, status of policy, S.A etc. allowed Rs. 2500/- as ex-gratia. So the Insurer was directed to pay the ex-gratia amount within one month from the date of receipt of the complainant's consent letter.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0267

Smt. Rashmirekha Das Vrs L.I.C Of India

(Puri Branch of Bhubaneswar DO)

Award dated 13th January'2009

FACT: -

The complainant's husband was having an insurance policy for Rs.1,50,000/- with commencement date 08/10/2004. He expired on 30/11/2005. The claim was not settled for on the ground that the policy was in lapsed condition due to non-receipt of premium by LICI from August'05 till November'05 (4 monthly dues). The complainant submitted that the salary for those three months was delayed because of delay in disbursement of salary by the P.A. After death the P.A prepared the salary bill and remitted the premiums to the Insurer who refused to accept the premium as the L.A had died. There was no intimation from L.I.C regarding non-receipt of the above four premiums during the lifetime of L.A. Had it been intimated in time, her husband could have deposited the dues before death. Rather, the Insurer in their letter dtd. 17/03/2007 informed the complainant that "the competent authority has refused to accept the post death premiums recently sent by the P.A".

AWARD:-

The honorable Ombudsman observed that the delay in remittance of premium was due to delay in salary disbursement for which the L.A was not responsible. Secondly, it was lapse on the part of the Insurer for not intimating the non-receipt of the premiums under salary saving scheme. So neither the deceased policy holder nor the complainant can be held responsible.

So the insurer was directed to accept the premium amount tendered by the P.A and settle the full claim to the complainant within one month from the date of order. In case the premium amount stands refunded by the P.A to the complainant, then the same to be deposited with the Insurer within 15 days by the complainant.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0272

Smt. Sulochana Sahani Vrs L.I.C Of India

(Uditnagar Branch of Sambalpur DO)

Award dated 15th January'2009

FACT: -

The complainant's husband was having an insurance policy for Rs.2,08,000/- with commencement date 28/03/2002. He expired on 11/11/2002. The claim was repudiated on the

ground of suppression of material fact as regards to health of the insured. According to the Insurer, the insured was suffering from "Non-Hodgkin Lymphoma" at the time of proposal. He was admitted in Hospital on 05/04/2002 for the same disease. The claim form B1 signed by the Hospital authorities revealed that the DLA was suffering from abdominal swelling for 2 yrs. The complainant submitted that there was no such treatment.

AWARD:-

The honorable Ombudsman observed that though in the claim form B1 the attending Doctor stated about the abdominal swelling for 2 yrs but the relevant column regarding who reported the same remained blank. Secondly, the Insurer failed to produce any other evidence of treatment prior to taking the policy. Mere noting in a form can't be considered as evidence of suppression of material fact.

So the insurer was directed to settle the full claim within one month from the date of receipt of the complainant's consent letter.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0275

Smt. Minarani Sahoo Vrs L.I.C Of India

(Kuchinda Branch of Sambalpur DO)

Award dated 2nd February'2009

FACT: -

The complainant's husband was having an insurance policy for Rs.5,00,000/- with commencement date 28/02/2006. He expired on 16/06/2006. The claim was repudiated on the ground of suppression of material fact as regards to health of the insured. According to the Insurer, the insured was suffering from "Diabetes Mellitus" and was treated for the same and also there was understatement of age by 3 yrs. The complainant submitted that the cause of death being different repudiation was not justified.

AWARD:-

The honorable Ombudsman observed that the DLA was admitted in the hospital on 15/06/2006 for loss of consciousness, convulsion and headache. The cause of death of the DLA was not proved by the Insurer. So, cause of death has got no nexus with the previous illness. The non- disclosure of suffering from "Diabetes Mellitus" is not very much material for risk consideration. As regards to suppression of age, the certificate produced by the Insurer does not

bear any seal of the school and hence can't be considered as evidence. On the other hand, the complainant has produced the voter's I.Card and PAN card in support of deceased's age.

So the insurer was directed to settle the full claim within one month from the date of receipt of the complainant's consent letter.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0279

Smt. Labanyalata Behera Vrs L.I.C Of India

(Keonjhar Branch of Cuttack DO)

Award dated 2nd February'2009

FACT: -

The complainant's husband was having an pension policy under Varistha Pension Bima Yojana. He expired on 19.07.2007. The complainant received the claim amount on 4/01/2008 for which she claimed interest for delay. According to the Insurer, the discharge form and other final requirements were received late and the payment was made after reasonable processing time.

AWARD:-

The honorable Ombudsman observed that

1.Pensioner expired on 19.07.2007

2.Death intimation given to insurer on 14.09.2007

3.Letter of insurer along with discharge voucher sent on 14.09.2007

4.Discahrge voucher dated 17.10.07 submitted on 17.10.2007

5.Payment of deposited amount done on 10.12.2007

The delay caused at Insurer's end is reasonable on and does not appear to be intentional. The delay that has been caused could not have been avoided. Hence the claim of interest stands dismissed.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-005-0282

Smt. Jasmine Behera Vrs HDFC Standard Life Insurance Co. Ltd.

Award dated 5th February'2009

FACT: -

The complainant's husband was having an insurance policy for Rs.1,91,685/- with commencement date 17/03/2004. He expired on 30/01/2007. The claim was repudiated on the ground of suppression of material fact as regards to health of the insured. According to the Insurer, the policy was in lapsed condition and was revived on 27/02/2006 on the strength of DGH. He was hospitalized on 02/11/2005 and operated on 05/11/2005 for right temporal craniotomy which was not disclosed in the DGH.

AWARD:-

The honorable Ombudsman observed that there is suppression of material fact in the DGH which has a bearing on the reinstatement of risk. Hence the complaint stands dismissed.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0287

Smt. Puspanjali Dash Vrs L.I.C Of India

(Cuttack-2 Branch of Cuttack DO)

Award dated 31st March'2009

FACT: -

The complainant's husband was having an insurance policy for Rs.2,00,000/- with commencement date 28/02/2003. He expired on 11/11/2005. The claim was repudiated on the

ground of suppression of material fact as regards to health of the insured. According to the Insurer, the DLA was suffering from frequent senselessness, nervousness, weakness over left L/2, pain over left knee, swelling, morning stiffness aggravated during rest since 1½ months before his consultation with the specialist on 01/03/2003 which is prior to commencement of the policy. The complainant submitted that the pain suddenly aggravated on the date of consultation and there was no such previous history.

AWARD:-

The honorable Ombudsman observed that past symptoms observed by the specialist in his prescription does not come under any of the questions in the proposal related to health.

So the insurer was directed to settle the full claim within one month from the date of receipt of the complainant's consent letter.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0288

Smt. Basanti Sa Vrs L.I.C Of India

(Jharsuguda Branch of Sambalpur DO)

Award dated 13th March'2009

FACT: -

The complainant's husband was having five insurance policies for Rs.2,25,000/-. He expired on 20/01/2007 by road accident. The accident claims were not settled on the ground of name mismatch in police final report. The complainant produced documents to establish that her husband named Suresh Sa died due to road accident.

AWARD:-

The honorable Ombudsman observed that the DLA died of road accident as is evident from the documents produced by the complainant. Secondly, when the Insurer had settled the basic claim accepting the death certificate, there is no good reason to deny the accident claim.

So the insurer was directed to settle the accident claim within one month from the date of receipt of the complainant's consent letter.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.24-002-0570

Smt. Ramamani Mallick Vrs SBI Life Insurance Co Ltd.

Award dated 31st March'2009

FACT: -

The complainant's husband was a member of a group policy of the Insurer being an account holder of the SBI. He expired on 25/08/2007. The claim was denied on the ground of non payment of renewal premium. The life assured entered the scheme on 25/07/2006 on payment of proportionate premium covered upto 09/07/2007. The next premium fell due on 10/07/2007 which was not paid within the days of grace. So the policy was in lapsed condition as on the date of death. The complainant submitted that the premium was to be deducted from his SB a/c and there was sufficient balance on the due date of renewal Premium. On the other hand, the Insurer submitted that the LA had advised against deduction of renewal premium through his letter dtd. 04/07/2007.

AWARD:-

The honorable Ombudsman observed that since the DLA during his lifetime had withdrawn from the scheme, the claim is not payable. So the complaint stands dismissed.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.24-001-0733

Smt. Sarada Sahu Vrs L I C Of India

(Bhavanipatna Branch of Berhampur DO)

Award dated 11th March'2009

FACT: -

The complainant's husband was having two insurance policies. He expired on 26/03/2003. The claim was not settled in spite of several letters last being on 01.11.2007. The Insurer submitted that the claim was repudiated for two policies on 31/03/2004 and 30/04/2004. The same was communicated instantly by Regd. Post.

AWARD:-

The honorable Ombudsman observed that the complainant was aware of the decision of the Insurer as the copy of the repudiation letters were submitted by her to this forum at a later date. So the reminder sent to the Insurer for settlement of death claim does not bear any importance. So the complaint stands dismissed.

BHUBANESWAR OMBUDSMAN CENTER

Complaint No.21-001-0265

Smt. Laxmi Devi Sonthalia Vrs L I C Of India

(Khurda B.O of Bhubaneswar DO)

Award dated 24th December'2008

FACT: -

The complainant's husband had one policy for Rs.50000/- with commencement date 10/11/2003.He expired on 28/07/2006 due to accident. The accident benefit was denied on the ground that accident occurred was DLA was crossing the railway track. The Insurer submitted that crossing of the railway track at railway station where overbridge exists, can't be termed as accident.

AWARD:-

The honorable Ombudsman observed that the circumstances under which DLA was compelled to cross the railway track can't be ascertained as the LA is no more. The paper cutting

submitted by the complainant indicates that the LA had inadvertently overshoot his destination station and was in a hurry to go back.

So, the Insurer was directed to settle the accident claim within one month from the date of receipt of order.

CHANDIGARH

DEATH CLAIM

Chandigarh Ombudsman Centre
CASE NO. Aviva/249/Gurgaon/Mohali/21/09
In the matter of Jaswant Kaur Vs Aviva Life

Order Dated: 22.10.2008

Facts : The complainant Smt. Jaswant Kaur sated that her husband late Sh. Nasib Singh had got himself insured vide insurance policy bearing no. WLG-1609116 by paying a premium of Rs. 3 lakhs for a S.A of Rs. 30 Lakhs. On being medically examined by the insurer's panel doctor, the case was cleared and the policy issued. He expired on 16.02.08 at the age of 56 years. The claim was filed by the complainant. However, the same was repudiated on flimsy grounds.

Findings : The insurer clarified the position by stating that the proposal form was received on 26.06.2007. The DLA expired on 16.02.2008. Since the death had taken place within 8 months of the commencement of the policy, investigations were carried out. It was learnt during the investigations, that the complainant was a chronic alcoholic and suffering from diabetics and hypertension for the last over 20 years. This was a material fact which was not reported at the time of filling of the proposal form. Hence the case was repudiated.. On a query, as to why the insurance was done at the age of 55 years, the insurer replied that it was based on the answers given in the proposal form by DLA and during the course of his medical examination. Since the medical examination had cleared him, the policy was issued.

Decision : Held that there has been a lapse on the part of both the insured and the DLA. The DLA should have declared his health condition properly at the time of giving the proposal form. As far as the insurer is concerned, there was no scrutiny of the capability of the person at the

age of 55 years for making payment of Rs. 3.00 lakh annually on an income of Rs. 7.00 lakh annually. Hence, refund of premium as a goodwill gesture to the complainant by the insurer giving the benefit of doubt to the complainant would meet the ends of justice. The insurer was advised to refund the premium of Rs. 3.00 lakhs to the complainant without any interest treating the policy as null and void *ab-initio.*

Chandigarh Ombudsman Centre
CASE NO. LIC/256/Karnal/Narwana/24/09
In the matter of Smt Vedo Devi Vs LIC of India

Order Dated: 03.11.08

Facts : The complainant, Smt Vedo Devi stated that her husband late Sh. Om Parkash had purchased a policy bearing no. 170843075 from Narwana Branch Office for sum assured Rs. 50,000/-. He expired on 26.11.07 due to snake bite. The claim was preferred to the insurer but she has not received the Death Claim payment so far.

Findings : The insurer stated that the policy had run for 13 years and the basic sum assured had been paid. However , the Double Accident Benefit claim has been pending as neither FIR nor any treatment record soon after the snake bite in Aug-07 was furnished by the complainant. In the absence of documentary proof regarding sank bite the DAB claim could not be settled so far. On a query, whether FIR is a must in snake bite cases the insurer agreed that this may not be required in every case.

Decision: On perusal of form-3816 signed by Dr. H.C Popli , against columns 6 and 7, it has been clearly mentioned that the complainant came with a complaint of snakebite on right foot. There was gangrene of toes in the right foot with gangrene in the right leg also and amputation was also done on the right gluttine on 16.11.07. All these clearly point to the fact that the patient was a victim of snakebite Just because there was no treatment record of snakebite in Aug-07 it does not mean that the snake bite had not occurred. Taking the above into consideration and taking an overall view of the circumstances of the death of the DLA, the DAB

is payable. No further documentation is required to be furnished by the complainant in support of the DAB claim. It was ordered that DAB claim for Rs. 50,000/- should be paid by the insurer to the complainant after completing the usual formalities.

Chandigarh Ombudsman Centre
CASE NO. LIC/255/Ludhiana/Samrala/21/09
In the matter of Sh. Bhupinder SinghVs LIC of India

Order Dated: 03.11.08

Facts : The complainant, Sh. Bhupinder Singh stated that his uncle late Sh. Gurmail Singh had purchased a policy bearing no. 160572681 from Samrala, Branch Office on 23.12.1993. He expired on 21.06.07 due to accident. The insurer had paid the death claim amount of Rs. 139000/- but they had not paid the DAB payment till date. He has requested many times to the insurer for the DAB payment but he has not received any response from the insurer.

Findings : The insurer clarified the position by stating that as per the records available the DLA fell from Mango tree and was taken to a nearby Hospital where he was bandaged and then discharged. There was no seriousness of the accident which could be established either through FIR or Postmortem Report. Hence only the basic sum assured plus bonus amounting to Rs. 1,39,000/- less one premium due was paid. As per their calculation nothing more was payable.

Decision : Held that the contention of the insurer that DAB is not payable appeared justified in the absence of any documentary proof except the certificate by the village Panchayat which cannot be treated as a legal document. The complaint was dismissed.

Chandigarh Ombudsman Centre
CASE NO. LIC/250/Karnal/Pehowa/24/09
In the matter of Smt Rano Vs LIC of India

Order dated :03.11.08

FACTS : The complainant, Smt. Rano stated that her husband had purchased a policy bearing no.175039260 on 22.03.07. He expired on 02.01.08 due to heart attack. She has submitted all the death claim papers in the branch office. But till date she has not received any response from the insurer.

FINDINGS : The DLA expired on 02.01.08 which was within ten months of the commencement of the policy. Investigations were carried out as required under section-45 of the Insurance Act 1938. It was learnt that the patient had undergone treatment for Tuberculosis from Anganwari PHC Padla. This was not disclosed at the time of filling up of the proposal form. Since this was a vital fact it was treated as concealment of material fact with intention to defraud. The claim was therefore repudiated on 03.06.08 and the complainant informed accordingly.

DECISION : Held that the contention of the insurer that the DLA had concealed material facts about treatment of Tuberculosis in 2006 is justified. The repudiation of the claim is therefore in order. The complaint was dismissed.

Chandigarh Ombudsman Centre

CASE NO. Kotak Mahindra/248/Mumbai/Chandigarh/21/09
In the matter of Poonam Bhalla Vs kotak Mahindra

Order dated : 03.11.08

FACTS : The complainant, Ms. Poonam Bhalla stated that her husband late Sh. Pradeep Bhalla had taken a policy bearing no. 00159901 amounting to Rs. 1.00 lakh and had paid the premium regularly. After his death on 19.08.07, all the claim documents were submitted on 12.12.07. As called for, the medical questionnaire from PGI, Chandigarh was submitted on 02.04.08. Thereafter, the claim was repudiated vide letter dated 08.08.08 on frivolous grounds. She stated that since her husband died immediately after admission at PGI, no treatment sheet, tests reports, ECG etc were prepared and hence could not be submitted to the company.

FINDINGS : The insurer clarified the position by stating that they were willing to settle the claim in favour of the complainant. However they required certain investigation report like ECG etc which was mentioned in physicians statement death claim form.

DECISION : The DLA was admitted in PGI on 19.08.2007 and expired on the same day due to cardiac arrest. Therefore the contention of the complainant that there was no time to get the medical test conducted appears more plausible and I have no ground to doubt her statement. Since the claim has been repudiated for non-submission of these reports, I am of the opinion that the requirement/necessity of these reports for settling the claim should be dispensed with. The claims should be settled in favour of the complainant without insisting on these documents as the policy had run for more than two years. It is hereby ordered that the admissible amount of claim should be paid by the insurer to the complainant.

Chandigarh Ombudsman Centre

CASE NO. LIC/324/Delhi-II/Faridabad/22/09
In the matter of Narender Chaudhary Vs LIC of India

Order dated : 06.01.09

FACTS : The complainant, Sh. Narender Chaudhary stated that his brother late Sh. Shiv Raj had purchased a policy bearing No. 122712862 from branch office, Faridabad. He expired on 11.03.05 in Safdar Jung Hospital at Delhi. The complainant has submitted all the death claim papers in the branch office. However till date he has not received any response from the insurer.

FINDINGS : The insurer clarified the position by stating that the DLA was in Safdar Jung Hospital when he expired. Before that he was in AIIMS. Form 5152 from AIIMS was called for which was received on 30.12.08. Hence the case could not be settled so far. Since the policy was in Table-88, Jeevan Mitra for 9 months, AIIMS report has stated that the DLA was on dialysis for 9 months. The case was being examined for pre existing disease.

DECISION : The case is inordinately delayed for over 3 years. The insurer should have settled the claim on merits long time back. Non settlement of claim is a deficiency in service. Moreover, there is no discharge summary from AIIMS and Safdar Jung Hospital regarding earlier treatment. Hence, it is doubtful if the DLA was having PED . Giving the benefit of doubt to the complainant and the fact that the case is unduly delayed, the claim in my view should be paid without any further delay. It is hereby ordered that the admissible amount of claim should be paid by the insurer to the complainant on the basis of existing documents.

Chandigarh Ombudsman Centre

CASE NO. Aviva/333/Gurgaon/Faridabad/21/09
In the matter of Meenu Bahree Vs Aviva Life

Order dated : 06.01.09

FACTS : The complainant, Ms. Meenu Bahree stated that her husband late Sh. Sandeep Bahree was insured under policy no.LLG-1175912 for Rs. 1.00 Lakh. He expired on 10.02.08. The claim was preferred to the insurer on 28.03.08. The same was rejected vide letter dated 24.07.08 on the grounds that the DLA had not disclosed replacement of Aortic Valve done 21 years ago. As she was not satisfied with the decision she appealed to the insurer's complaint Redressal Cell which was again rejected vide letter dated 12.08.08. She stated that her husband died due to "Acute Pulmonary Oedima" and not because of "Aortic Valve failure".

FINDINGS : The insurer clarified the position by stating that the policy was taken in May-2005. The death took place on 10.02.08. Documentary records obtained from Metro Hospital stated that the DLA had an Aortic Valve replacement 21 years ago which was the cause of Acute Pulmonary Oedima. Hence the case was repudiated for Non-disclosure of material fact.

DECISION : The DLA was married and having two children and leading a normal life. Whether the Aortic Valve replacement was a secondary cause of death cannot be established as the DLA was in the hospital for 15 minutes before he died. Moreover, it was a medical case. The DLA

was declared fit at the time of taking the policy. Section 45 of the Insurance Act state that concealment of a fact should be material and fraudulent. Only then the claim can be repudiated. I am not convinced in this case that non-disclosure of a surgery done 21 years back was done fraudulently or was material to the cause of death. Taking the above into consideration, I am of the opinion that the repudiation of the claim is not in order. The claim is payable. It is hereby ordered that the admissible amount of claim should be paid by the insurer to the complainant.

Chandigarh Ombudsman Centre

CASE NO. LIC/361/Rohtak/Hissar-II/24/09
In the matter of Sh. Om Parkash Vs LIC of India

Order dated : 23.01.09

FACTS : The complainant, Sh. Om Parkash stated that his son had purchased a policy bearing no. 175086642 from branch office Hissar-II. He expired on 21.12.07 due to accident. The complainant has submitted all the death claim papers in the branch office in Jan-08. However he has not received any response from the insurer.

FINDINGS : The insurer clarified the position by stating that the accident took place on 19.12.07 at midnight. The policy was in a lapsed condition on that date as the premium fell due on 8.12.07. They deposited the premium and gave a death certificate showing death on 21.12.07. On a query as to what was the proof of the death on 19.12.07, the insurer stated that it was based on the FIR issued by Dungargarh police station in Rajasthan.

DECISION : After hearing both the parties and going through the FIR carefully, I find that the contention of the insurer that the policy was in a lapsed condition on the date of the accident is justified. Moreover, the only accident that took place in Dungargarh police station as per their records was on 19.12.07 and not on 21.12.07. In that accident, only Sh. Rawal Kumar had died. There is no FIR to show that Sandeep Kumar, the DLA died due to accident on 19.12.07.

The affidavit by the complainant dated 06.10.08 is not tenable as it was given after one year. No further action is therefore called for. The complaint is dismissed.

Chandigarh Ombudsman Centre

CASE NO. ICICI/320/Mumbai/Ferozpur/21/09
In the matter of Ramesh Kumari Vs ICICI Prudential Life Insurance Co.

Order dated : 30.01.09

FACTS : The complainant, Smt. Ramesh Kumari stated that her son late Sh. Rajesh Gagneja had purchased a "Life Time" policy bearing no. 02691815 by paying Rs. 3.75 Lakhs on 12.04.06. At the time of taking the policy he was shown the policy illustration wherein if an annual premium of Rs. 20,000/- is paid, then the chosen S.A would be Rs. 2.00 Lakhs. As per the illustration, he was insured for an amount of Rs. 37.50 lakhs. She stated that the second premium due on 12.04.07 for Rs. 3.75 lakhs was paid on 19.04.07. Unfortunately he expired on 05.02.08. The claim was preferred to the insurer for Rs. 37.50 lakhs. However, she was surprised to receive only Rs. 6,44,491.75. A legal notice was served to the insurer on 01.04.08. She received a reply vide letter dated 12.05.08 wherein she was informed that the death claim benefit was to be paid under clause 3.1(i)(a)(b) i.e to pay the higher of the value of the units for which the applicant was found entitled to, which worked out to Rs. 6,44,491.75. She failed to understand why the insured amount of Rs. 37.50 lakhs was not paid as per the policy literature provided at the time of taking the policy.

FINDINGS : The insurer clarified the position by stating that the complainant had taken a Life Time Policy under which Maximizer Plan was opted. In this whole amount of premium paid is invested in the market and units purchased in the name of the insured. The illustration of ten times the premium was for another product called Protector Plan Fund which the, LA had not opted. On a query as to what was the annual income shown in the proposal form the insurer stated that it was Rs. 2.00 lakhs.

DECISION : The illustration which was shown to the complainant clearly shows that if he pays a sum of Rs. 20,000/- as premium he gets an insurance cover of Rs. 2.00 lakhs. On this analogy, the contention of the complainant that she is entitled to Rs. 37.5 lakhs on a premium of Rs. 3.75 lakhs appears justified. However, since he had opted for Maximizer Plan which unfortunately had not been explained to him he

can not take the benefit of Protector Plan. Notwithstanding the above lacuna, there appears to be an underwriting lapse as the proposer cannot pay Rs. 3.75 lakhs annually on an income of Rs. 2.00 lakhs. Taking the above factors into consideration, refund of the total amount of 7.5 lakhs paid by the DLA as premium would meet the ends of justice. Since an amount of Rs. 6,44,491.75 has been paid the balance amount of Rs. 1,05,000 should be paid by the insurer on *ex-gratia* basis as per Rule 16(2) Read with rule 18 of RPG Rules 1998.

Chandigarh Ombudsman Centre

CASE NO. LIC/355/Chandigarh/Patiala/21/09
In the matter of Rosha Walia Vs LIC of India

Order dated: 16.02.09

FACTS : This complaint has been received on 05.11.08 from Sh. Rosha Walia. Brief facts of the case are that the complainant's wife late Smt. Harpreet Kaur had a policy bearing no. 162199016. He stated that his wife committed suicide on 14.08.07 but her body could not be traced, which was duly established in the investigation of the police and the same was accepted by the Hon'ble court. The claim was preferred to the insurer on 08.08.08. Later on he was informed by the insurer vide letter dated 09.08.08 that the claim could not be considered as L.A was missing and he would have to wait for seven years. After several follow-ups with the branch office, he was informed that his case was referred to D.O Chandigarh but till date nothing has been done. Feeling aggrieved, he has approached this forum for getting the claim paid to him at the earliest.

FINDINGS : The insurer clarified the position by stating that there was an FIR lodged by the father of the deceased in which the complainant has been made an accused and charged with murder. Hence there was doubt that it was a case of suicide or murder. On a query, whether he was aware of the charge against him, the complainant replied that he was aware of the same but he stated that the judicial court has closed the case by allowing the police to cancel the FIR. The court has not stated that the death had not taken place.

Moreover there was a suicide note from the DLA which was given to the insurer as required by them.

DECISION : After hearing both the parties and going through the records and keeping in view the instructions contain in Para 23 of Chapter 2 read with Para 15 of Chapter 1 of claims manual of the insurer , the death claim for sum assured of Rs. 1.00 lakh alongwith accrued bonus if any as per the policy condition should be settled by taking an indemnity bond from the complainant as mentioned in the relevant rules quoted above.

Chandigarh Ombudsman Centre

CASE NO. ICICI/359/Mumbai/Ludhiana/21/09
In the matter of Ramneek Vs ICICI Prudential Life Insurance Co.

Order dated : 16.02.09

FACTS : The complainant, Sh. Ramneek stated that his father late Sh. Parveen Kumar had a policy bearing no. 04909164 dated 31.03.07. Unfortunately he expired on 20.06.08. The claim was preferred to the insurer. However till date there is no communication since last mail sent by him on 30.09.08. The company is also harassing him on one pretext or the other.

FINDINGS : It was learnt that the DLA was a known case of diabetes for the last five years and had chest pain on and off for one year before the commencement of the policy. This was a medical case and medical was done at the time of issuing the policy where the complainant did not give any information about DM2. Investigations were carried out and since the DLA was suffering from DM2 for five years, it was treated as a case of PED and hence the claim was repudiated. On a query whether DLA was suffering from DM2 the complainant replied in the negative. On a query, whether there was any treatment record for DM2 for the last five years, the insurer replied in the negative. On a query whether there was any mention of DM2 in the discharge summary the insurer replied in the negative but stated that it was mentioned in the hospital record. On a query, as to who had given the information regarding the diabetes for 5 years, the insurer replied that it was not mentioned in the hospital records but the history of patient was given by one Sh. Sanjeev .

DECISION : The following are the findings

a) Sh. Parveen Kumar expired on 26.08 when the policy had run for 15 months.

b) He was hospitalized in Oct-07 and had heart surgery.

c) This was a medical case and he was medically examined at the time of underwriting the policy and the medical examination had cleared his case on the basis of physical examination and answers provided in the proposal form.

d) There is a hospital record to show that the patient was suffering from DM2 for five years and taking Glycomat GP2 Tablets.

e) He was complaining of Chest pain on and off for one year which was before the commencement of the policy.

Taking the above into consideration I am of the opinion after taking a fair and just view that the contention of the insurer that the DLA was suffering from pre-existing disease appears more plausible. The repudiation of the claim appears to be in order. No further action is called for. The compliant is dismissed.

Chandigarh Ombudsman Centre

CASE NO. LIC/357/Karnal/Karnal-I/24/09
In the matter of Gurbachan Kaur Vs LIC of India

Order dated : 18.02.09

FACTS : The complainant, Smt. Gurbachan Kaur stated that the DLA had purchased a policy bearing No. 170410432 from branch office, Karnal-I for sum assured Rs. 50,000 in 1991. The DLA expired due to electrical shock on 14.06.2006. She had submitted all the death claim papers in the branch office and received death claim payment. But she has not received the DAB claim payment so far. She has requested many times to the insurer in connection with DAB claim payment but he has not received any response from the insurer.

FINDINGS : The insurer stated that the basic claim had been paid. However the DAB was repudiated because FIR, PMR were not available to substantiate the fact that the death was due to an accident (in this case electrical shock). On a query whether investigation was done, the insurer replied in the affirmative and stated that the investigator had recommended payment of DAB on the ground that the death was caused due to electrical shock.

DECISION : After hearing the insurer and going through the records including the statement of the investigator and the neighbours , I am of the opinion that the DAB claim lodged by the complainant is genuine and payable. There is no need of any FIR or PMR due to the fact that the accident was due to electrical shock and the death was on the spot. Circumstantial evidence shows that the death was due to electrical shock. The repudiation of the claim is not in order. It is hereby order that DAB claim should be paid by the insurer to the complainant.

Chandigarh Ombudsman Centre
CASE NO. ICICI/426/Mumbai/Panchkula/22/09
In the matter of Sarandass Kamboj Vs ICICI Prudential Life Insurance Co.

Order dated : 25.02.09

FACTS : The complainant, Sh. Sarandass Kamboj stated that he had purchased a policy bearing no. 0899946 in 2004 by paying Rs. 5.00 lakhs . In 2007 his fund value was approximately 9.00 lakhs. He was advised by the insurer's officials to surrender his policy and get Rs. 4.00 lakhs and to reinvest Rs. 5.00 lakhs. He agreed and submitted the policy document for surrendering the same. Some papers were got signed from him. He was waiting for his payment of Rs. 4.00 lakhs. Instead they issued a policy in the name of his daughter which he had never wanted and till date not received the policy. His policy was not surrendered by the insurer but a partial withdrawal of Rs. 5.00 lakhs was made and the amount was used in issuing a new policy in the name of his daughter who resides in America and had not signed any papers. This was done fraudulently and intentionally. He stated that he is 75 years of age and an NRI. He had written to the company on 16.02.08 and 25.06.08 but nothing has been done.

FINDINGS : The insurer clarified the position by stating that there was a letter from the complainant in Dec-07 requesting for partial withdrawal and he had not applied for surrender of the policy. Based on this application an amount of Rs. 5.00 lakhs was invested in a fresh policy in the name of his daughter Ms Anu Publa Mohan. On a query whether there was an application for transfer of funds from his account to the name of his daughter, the insurer replied in the affirmative and showed a letter allegedly written by the complainant on 28.12.07 alongwith an application form for partial withdrawal.

DECISION : After hearing both the parties and going through the records carefully, I find that the letter allegedly written by the complainant on 28.12.07 for transfer of funds from his account to another policy in the name of his daughter by issuing a fresh policy is not genuine and bears signatures which do not tally with the signatures of the complainant nor is the application in the handwriting of the complainant. He stated that he had never received the policy in question which is in the name of his daughter and hence he was not aware of the provisions of the free-look period. Moreover the application for the fresh policy has not been signed by his daughter who lives abroad. Also the details in the proposal form for the new policy have not been filled up properly. Taking the above into consideration, I am of the opinion that the transfer of funds from the account of complainant to the account of his daughter without his consent is a mis-sale and the fresh policy deserves to be cancelled *ab-initio.* Moreover issuing a policy in 2004 was an underwriting lapse because the LA was a major and giving a policy to the proposer when the LA was not a minor is an underwriting lapse. Hence in my opinion cancelling policy no. 0899946 *ab-initio* from the DOC would meet the ends of justice. It is hereby ordered that total amount of Rs. 4.50 lakhs deposited, with interest @8% pa w.e.f the date of receipt of different installments of premium till the date of payment should be paid by the insurer to the complainant .

Chandigarh Ombudsman Centre

CASE NO. SBI/414/Mumbai/Jalandhar/21/09
In the matter of Neelam Aggarwal Vs SBI Life Insurance Co. Ltd.

Order dated : 25.02.09

FACTS : The complainant, Smt. Neelam Aggarwal stated that her daughter Ms. Shivani Aggarwal had purchased a policy Credit Card bearing no. 4317 5750 3770 3551 under which she was covered for accidental insurance vide Cards Group Insurance Scheme policy no

83001000105. The last payment under the card was made on 12.10.08. Unfortunately she died in a road accident on 14.02.08. The claim was preferred to the insurer on 04.09.2008. However the same was repudiated vide letter dated 18.09.08 stating that the LA was not covered under the Protection Plus Policy as the policy was deactivated on 26.09.07. In reply she sent them a letter dated 15.10.08 confirming that the LA was an active member of SBI card.

FINDINGS : The insurer clarified the position by stating that there was a written request from the DLA sent on 19.09.07 in which she had requested for cancellation of both the credit card and the insurance policy. Accordingly the policy stood deactivated on the date of expiry on 14.02.08. On a query whether premium was received in Jan-08, the insurer stated that the payment was for the credit card which is a separate entity. No premium was payable for insurance cover. As far as insurance policy is concerned they were having no intimation that the credit card was active alongwith the insurance cover on the date of expiry. Hence the claim was repudiated accordingly.

DECISION : After hearing both the parties and going through the records carefully, I am of the opinion that the contention of the insurer that the policy was not active on the date of expiry is justified. The repudiation of the claim in my opinion is in order. No further action is called for. The complaint is dismissed.

DEATH CLAIM

Chandigarh Ombudsman Centre

CASE NO. SBI Life/423/Mumbai/Sonepat/21/09
In the matter of Kavita Devi Vs SBI Life

Order dated : 20.02.09

FACTS : The complainant, Smt. Kavita Devi stated that her husband late Sh. Balraj had taken a loan from GE Money which is undertaken by SBI Life Insurance Company and insured the life of the loanee upto Rs. 2.0 lakhs in normal death and Rs. 5.00 lakhs in accidental death vide Group Insurance policy bearing no. 83001000909. After the death of her husband on

14.05.2007. She applied for the death claim and submitted all the requisite forms to GE Money branch office, Panipat on 24.04.2008. She was surprised to receive a letter dated 08.09.2008 from SBI, repudiating her claim. Feeling aggrieved she sought intervention of this forum in getting her claim released at the earliest.

FINDINGS : The insurer stated that it is a case of Group Master policy for loanees of GE country wide. It is a case of suicide as confirmed by the PMR and Chemical Analaysis report which shows that there was phosphene and aluminum Phosphide. There was no FIR to rule out the possibility of suicide. Even if it is murder, the same is not payable.

DECISION : After hearing both the parties and going through the records, I am of the opinion that although the Chemical Analysis shows phosphene in the blood, it cannot be established that this was done deliberately. Still giving the benefit of doubt to the insurer, I am of the opinion that the contention of the insurer has some weight that neither suicide nor murder is payable. Nevertheless taking an overall view, I am of the opinion that payment of Rs. 25,000 as ex-gratia to the complainant would meet the ends of justice. It is hereby ordered that an amount of Rs. 25,000 should be paid by the insurer to the complainant as *ex-gratia* under powers confined as per Rule 16(2) read with Rule 18 of RPG Rules. Payment should be made by 10.03.09. to GE capitals against the loan taken by DLA as per the terms and conditions of the master policy.

Chandigarh Ombudsman Centre

CASE NO. LIC/424/Chandigarh/Nabha/24/09
In the matter of Smt. Jasvir KaurVs LIC of India

Order dated :13.03.09

FACTS : The complainant, Smt. Jasvir Kaur stated that her husband late Sh. Jodh Singh had insured himself under Jeevan Saral policy bearing no. 162792365 for S.A of Rs. 62,500. He expired on 14.10.07. The claim was preferred to the insurer with all the claim papers complete. However the insurer repudiated the claim due to non payment of premiums in time. She stated that the premiums under the policy were paid upto 07.2007. She came to know that grace period of the policy is extended by 3 months if the premiums are paid regularly for 2 years. Hence she sought intervention of this forum in getting her claim paid.

FINDINGS : The insurer clarified the position by stating that the policy was in a lapsed condition. Hence the claim was repudiated. As per the claim manual of 31.12.05 policies issued under Table 165 are not covered for claim relaxation Since Jeevan Saral Policy is under Table -165, no relaxation can be given for payment of *ex-gratia* in respect of this policy. Hence nothing is payable to the complainant.

DECISION : Held that the contention of the insurer that nothing is payable to the complainant since the policy had run for less than 3 years is justified. No further action is called for. The complaint is dismissed.

Chandigarh Ombudsman Centre
CASE NO. Aviva/461/Gurgaon/Patiala/22/09
In the matter of Sushila Vs Aviva Life Insurance Co.Ltd.

Order dated :13.03.09

FACTS : This complaint has been filed by Smt. Sushila on 13.01.2009. Brief facts of the case are that her husband late Sh. Mahavir Parshad had purchased a policy no. LPG-1480849 with DOC 21.03.2007 for a term of 5 years. The S.A was Rs. 2.5 Lakhs under single premium mode. After his death on 22.01.08, claim was preferred to the insurer. However, the company has repudiated the claim on the grounds that DLA was a known case of Diabetes Mellitus. She alleged that medical examination of her husband was done by the company's panel doctors. She, therefore, requested this forum to look into the matter and get her claim released at the earliest.

FINDINGS : The insurer clarified the position by stating that there was a certificate from Dr. Dharamvir Gandhi of Patiala Heart institute wherein it has been mentioned that the DLA was a known case of DM for about 10 years. On a query whether the treatment record of the last ten years or the Discharge Summary from the Patiala Heart Institute was available. The insurer furnished a letter from Patiala Heart Institute stating that all the relevant documents, discharge card, investigation report had been handed over to the family. On a

query whether his documents were available the representative of the complainant stated that only a slip was given based on which the DLA was admitted in PGI, Chandigarh. On a query as to when the patient was discharged from Patiala Heart Institute the complainant stated that he was discharged on 17.01.08.

DECISION : The DLA was discharged from Patiala Heart Institute on 17.01.08 and was admitted in PGI , Chandigarh on 21.01.08. No satisfactory reason for delay in admission in PGI, Chandigarh could be given by the complainant. Secondly, the Patiala Heart institute had advised Haemo Dialysis but instead of going for dialysis the DLA was got discharged from Patiala on the request of family members. Taking the above into consideration, the state of dialysis would normally come only when there is advanced and prolonged kidney disease. Since the policy is only ten months old the contention of the insurer that the patient was chronic case of diabetes appears more plausible. Although the medical was done at the time of taking the policy, the fact of the DLA suffering from diabetes was not disclosed. Had it been disclosed the underwriting decision could have undergone a change. In view of the above the repudiation of the claim by the insurer on the ground of DLA suffering from pre-existing disease is in order. The complaint is dismissed.

Chandigarh Ombudsman Centre

CASE NO. LIC/404/Jalandhar/Malout/21/09
In the matter of Sandeep KumarVs LIC of India

Order dated :16.03.09

FACTS : The complainant, Sh. Sandeep Kumar stated that his father late Sh. Vijay Kumar purchased a policy bearing No. 132319643. He expired due to liver cancer. The complainant has submitted all the death claim papers in the branch office. But the insurer had rejected his death claim payment.

FINDINGS : The insurer clarified the position by stating that the date of commencement of the policy was 08.05.07. The DLA expired on 06.07.07. Since it was an early death claim investigations were carried out which revealed that the DLA was suffering from Liver Cancer and died of this disease. Tata Memorial Hospital record shows that the DLA was

taking half bottle of liquor and two bundles of biri everyday. Since these habits are injuries to health especially the liver, the cause of death was attributed to intake habits which resulted in death due to liver cancer. On a query whether any history of medical treatment was available, the insurer replied that the history recorded in Form 3816 from Civil Hospital Abohar where the cancer was detected stated that the DLA came with a complaint of pain in stomach for the past one month.

DECISION : Since there was no recorded history of any complication which was in the knowledge of the DLA before the commencement of the policy, no fraudulent intent was attributable to this policy. The claim is therefore payable. The repudiation of the claim is not in order. It was ordered that the claim should be paid by the insurer to the complainant.

Chandigarh Ombudsman Centre

CASE NO. Birla Sun Life/430/Mumbai/Amritsar/24/09
In the matter of Sh. Gurpreet Singh Chawla Vs Birla Sun Life Insurance Co. Ltd.

Order dated : 16.03.09

FACTS : The complainant, Sh. Gurpreet Singh Chawla stated that he had purchased a policy bearing no. 001883647 with critical illness rider issued on 28th July, 2008. His claim under critical illness rider was rejected on 31.10.08 on the grounds that he was a known case of Chronic Renal failure and was on regular dialysis since 3 months, which pre-dated his application for insurance. He stated that DMC, Ludhiana where he was admitted had made a minor error in their records by entering that the patient was on regular dialysis since last 3 months instead of one month only. He was fit and fine and attended his duty till 6th Aug 08. He underwent his first dialysis only on 8th Aug 2008. He had again represented his claim to the insurer's Claims Redressal Machinery. However the same was also repudiated.

FINDINGS : The insurer stated that the complainant had taken a critical illness rider on 28.07.08 under this policy. He stated that he was not on dialysis since 3 months but only for 1 month. Even if the contention of one month is taken, the first dialysis being on 28.08.2008 is within 30 days of the insertion of critical illness rider. The critical illness rider benefit will become null and void if the occurrence of decease is within the first 90 days of the commencement of the critical rider.

DECISION : Held that the contention of the insurer that the critical illness rider was not applicable in the case of the complainant is justified. No further action is called for. The complaint is dismissed.

CHENNAI

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO(CHN) 21.07.2186/2008-09

Smt.N.Ameenal Beevi

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-023/2008-09 dated 21.10.2008.

Sri A.Naina Mohamad had taken a Bima Gold policy bearing number 322063914 for Rs.1,00,000/- with date of commencement as 22.02.2006. The policy was for a term of 12 years and the quarterly premium was Rs.3349/- and his wife Smt N.Ameenal Beevi was the nominee. The assured died on 05.04.2007 within 1 Year 1 month and 13 days of taking the policy. The Insurer denied payment of the claim on the grounds that the life assured had not disclosed pre-proposal illness of heart ailments for about two years.

The case was heard on 08.08.2008 when the insurer and the brother of the complainant were present.

The complainant's son stated that his father was not taking medicines for diabetes and hypertension. He stated that no proof was given by the insurer that his father suffered from heart ailments before taking the insurance policy. His father had undergone TMT test and it was a normal report. It was brought to his attention that in the Galaxy Hospital report it was mentioned that he was a known case of HT/DM for 20 years.

The representative of the insurer stated the life assured died on 05.04.2007 due to Multiple Lung Nodules, Hypertension and Diabetes. The galaxy Hospital records showed that the assured was a known case of HT/DM for more than 20 years, a known case of multiple nodules of lungs and died of cardio respiratory arrest. The fact was not disclosed to them in the proposal form and hence repudiated the claim for suppression of material facts. Their Zonal Office also upheld their decision. They had settled claims under other 2 policies held by the life assured as they were non-early claims.

Documents were perused. Though the insurer was justified in repudiating the claim for suppression of material facts, the insurer was not able to provide any clinching evidence that the insured had heart ailments prior to submission of the proposal. Hence an ex-gratia amount of Rs.10000/- was awarded to the complainant under Rule 18 of RPG Rule 1998.

The complaint was partially-allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO(CHN) 21.07.2213/2008-09

Smt.Rahamath Beevi

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-025/2008-09 dated 23.10.2008.

Sri K.Mohamad Ibrahim had taken a Money Back policy bearing number 320065071 for Rs.50,000/- with date of commencement as 28.09.1995 for a term of 15 years and the half-yearly premium was Rs.2138/- and his wife Smt.Rahamath Beevi was the nominee. The policy was in a lapsed condition and was revived on 08.11.2006. The assured died on 13.11.2006 within 5 days

from the date of revival. The Insurer denied payment of the claim on the grounds that the life assured had revived the lapsed policy on 08.11.2006 five days before his death on the basis of personal statement of good health in which he had not disclosed the fact that he was admitted in a hospital on the revival date and was undergoing treatment.

The case was heard on 08.08.2008. The complainant stated that the premium was always remitted through the agent. Many a times they could not pay the half-yearly premium in time but they used to pay the amount as yearly payments together with interest. During the last 3 years they had paid the money to the agent but the agent failed to remit the premium to LIC of India.

The representative of the insurer stated that the life assured died on 13.11.2006 due to Cerebral Infarcts. During the last revival on 08.11.2006, 3 Half yearly premiums were paid and the policy was revived on the basis of declaration of good health. He was unconscious before death and was treated in a hospital at the time of revival. Just 2 days before revival a CT scan had also been taken. As the health problem of the insured was not disclosed do the insurer at the time of revival, they had set aside revival and paid the paid-up value of Rs.20714/- after deduction of the loan and loan interest.

Documents were perused. The insured had offered paid up value acquired on the date of lapse and vested bonus which was accepted by the complainant on 07.11.2007. The claim for full sum assured was repudiated by the Insurer on the grounds of pre-revival illness. It was evident from the reports that the insured was not enjoying good health at the time of revival and was unconscious before the policy was revived on 08.11.2006. The repudiation of the claim for full sum assured by the Insurer was justified.

The complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.03.2220/2008-09

Smt.R.Indumathi

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-026/2008-09 dated 23.10.2008.

Sri M. Radhakrishnan had taken two marriage endowment policies bearing number 762173348 for Sum assured Rs.50000/- with date of commencement as 08.02.2005 for term of 15 years and policy no.762077159 for Sum assured Rs.51000/- with date of commencement 04.03.2004 for a term of 13 years from LIC of India, Coimbatore Division and his wife Smt.R. Indumathi was the appointee for minor nominees – a daughter and a son. The assured died on 05.12.2006 due to Cryptogenic Cirrhosis of Liver within 1 year 9 months and 3 days and 2 years 8 months and 29 days respectively from the date of taking the policies. The claims were repudiated on the grounds that the life assured had suppressed the material fact of having suffered from Cryptogenic Cirrhosis of liver for which he had taken treatment in a hospital prior to submission of his proposals.

The case was heard on 08.08.2008. The complainant admitted that her husband was hospitalized and took treatment for liver problem in 1999. When questioned about the cause of liver disease as to whether he was an alcoholic, she said that he was neither an alcoholic nor a smoker. The agent had filled up the proposal forms and they did not know the implications. She said that there was no intentional suppression of facts.

The representative of the insurer stated that the life assured had taken 2 policies. He died on 05.12.2006 due to upper Gastro Intestinal bleeding and Hepatic Encephalopathy. The life assured had availed treatment as in-patient for Cirrhosis of Liver prior to the proposal date. As they had enough evidence they repudiated the claim for suppression of material facts.

Documents were perused. The insured proved with clinching evidence that the insured was suffering from Cirrhosis of Liver, Portal Hypertension and Diabetes Mellitus etc. prior to submission of proposals which facts were not disclosed in the proposals which were accepted under non-medical scheme.

The complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.07.2237/2008-09

Shri T.Selvamony

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-027/2008-09 dated 24.10.2008.

Smt.Kasturi Kamalabai had taken a Jeevan Samruddhi policy bearing number 321656771 for Rs.100000/- with date of commencement as 10.01.2005 for a term of 15 years for a quarterly premium of Rs.2740/- from LIC of India, Nagerkoil Branch and her husband Shri T.Selvamony was the nominee. The assured died on 08.08.2007 due to Carcinoma of breast within 2 years 6 months and 28 days from the date of taking the policy. The claim was repudiated on the grounds that the life assured had suppressed the material fact of having suffered from Sebaceous cyst breast left for about two years 6 months prior to taking the policy.

During the hearing the complainant said that his wife had taken a policy in 2005 mainly for the purpose of her children's welfare i.e. she could easily avail the loan facilities available under the policy whenever necessity arose. In June 2002 she consulted a doctor for acne on her breast and got treated on a single day. In August 2005 she had consulted a doctor again for the swelling and pain in the left breast and was subsequently cured after due medication. He said that the biopsy done in June 2002 had no nexus to the cause of death and hence prayed that his claim should be allowed.

The representative of the insurer stated that the life assured had died due to Carcinoma Breast with the policy duration of 2 years 6 months and 28 days. The claim form B2 filled by the doctor at Dr.Jayasekaran Hospital stated that the deceased life assured was suffering from cough and breathing problem coupled with a swelling in left breast in June 2002. Hence they had repudiated for the reason of misstatements and suppression of material facts in the proposal.

Documents were perused. Though fraudulent intention to cover up the disease she had in 2002 may be attributed to the insured, the insurer has not been able to prove this to the satisfaction of the forum. The fraudulent intention of the insured in this case gets mitigated to some extent since she proposed for the insurance two and half years after the excision of the cyst. Hence an ex-gratia of Rs.10,000/- (Rupees ten thousand only) was allowed.

The complaint was partially allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.08.2241/2008-09

Smt.G.Nirmala

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-028/2008-09 dated 07.11.2008

Shri P. Ganesan had taken an Endowment policy bearing number 733595645 for sum assured of Rs.50,000/- with date of commencement as 07.03.2005 for a term of 20 years for a half-yearly premium of Rs.1468/- from LIC of India, Gudiyatham Branch and his wife Smt.G.Nirmala was the nominee. The assured died on 15.04.2005 due to Cardiac arrest within 1 month and 8 days of taking the policy. The claim was repudiated on the grounds that the life assured had suppressed the fact that he was suffering from Jaundice and Liver problems 3 months before he proposed for the above policy.

During the hearing the complainant said her husband was hale and healthy and had never fallen sick. Her husband never had jaundice and he had died of heart attack only. She also denied that her husband had committed suicide as stated by people of her village.

The representative of the insurer stated that based on the claim papers submitted to them like B, B1, B2 it was inferred that the deceased life assured was suffering from pre-proposal illness viz. Jaundice-liver enlargement and he himself had disclosed the details to the attending physician. Hence the claim was repudiated for non-disclosure of material facts.

Documents were perused. The insurer has been able to establish the pre-proposal illness of the insured. The certificate issued by the last Medical attendant clearly confirmed that the deceased was suffering from liver problem prior to submission of the proposal which information was suppressed by the insured in the proposal form based on which the risk on the life of the proposer was accepted. The Insurer was justified in rejecting the claim.

The complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.04.2265/2008-09

Smt.S.Shanthi

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-029/2008-09 dated 10.11.2008

Shri S. Shanmugasundaram had taken a Money Back policy bearing number 741479778 for sum assured of Rs.50,000/- with date of commencement as 27.07.1995 for a term of 15 years for a quarterly premium of Rs.1133/- from LIC of India, Periyakulam Branch and his wife Smt. S. Shanthi was the nominee. The assured died on 23.04.2007 due to Cardiac arrest within 3 month and 4 days of reviving the policy on 19.01.2007 which had lapsed for non-payment of premia due from October 2005.

During the hearing the complainant said her husband was diagnosed to suffer from diabetes only in April 2006. He died on 23.04.2007 after complaining of breathlessness. The doctor told her that probably he had a silent heart attack due to diabetes. She did not accept the paid-up value offered to her. She said that no one helped her in revival of the policy.

The representative of the insurer stated that as per the policy conditions survival benefit of 25% of the sum assured would be paid once in 5 years if the policy is in force. On maturity the balance sum assured with accrued bonus was payable. The insurer submitted number of laboratory reports of the insured to establish that the insured was suffering from Diabetes, Pedal Odema and Diabetic Nephropathy for which he was under treatment and argued that since the insured had suppressed this information while reviving the policy, the revival was set aside and paid-up value was offered.

Documents were perused. The insurer has been able to establish the pre-revival illness of the insured and suppression of material fact. The decision of the insurer in setting aside the revival was justified and offer of paid-up value was in order.

The complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.07.2351/2008-09

Smt.M.Chandu

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-030/2008-09 dated 18.11.2008

The complainant's husband had taken a Janaraksha policy for SA Rs.30000 with date of commencement 10.06.2006. The Life assured died on 28.10.2006 within 4 months and 18 days of taking the policy.

The Insurer repudiated the claim quoting suppression of material fact. They submitted that the insured was suffering from pulmonary tuberculosis before proposing for the policy which fact he had not disclosed in the proposal.

The complainant was not present during the hearing and her contentions were read out to the Insurer. The Insurer submitted medical certificate issued by Government Primary Health Centre where the Life assured had taken treatment.

The documents were perused and it was established that the Insured was treated from 31.05.2006 to 30.09.2006 for Pulmonary Tuberculosis under DOTS and finally died on 28.10.2006 due to Tuberculosis. Since the pre-proposal illness and suppression of material fact was clearly established the complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.08.2350/2008-09

Smt K.Malliga

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-031/2008-09 dated 20.11.2008

The complainant's husband had taken an endowment policy from LIC of India for sum assured of Rs.100000 with date of commencement 15.09.2002. The policy had lapsed and the same was revived on 17.10.2006. The life assured died on 12.12.2006 within One month and Twenty five days of reviving the policy.

The Insurer denied the payment on the grounds that life assured was suffering from Jaundice which was progressively increasing for which he was under continuous treatment prior to the revival of the policy. This fact had not been disclosed by the Insured while reviving the policy. The revival was therefore set aside by the Insurer for suppression of material facts. The Insurer offered Paid up value under the policy.

During the hearing the complainant stated that her husband was in good health when he took the policy and was an ex-serviceman. She said they came to know that he had jaundice during August 2006 and was initially treated with local medicines. Subsequently they went to CMC

hospital in Vellore and military hospital. She requested for settlement of full sum assured as against paid up value offered.

The representative of the Insurer informed that the policy was revived under loan-cum-revival scheme on 17.10.2006. He submitted the out-patient record of CMC hospital Vellore to prove that the Insured consulted the hospital on 08.09.2006 when he diagnosed for jaundice and had undergone various tests and was under treatment upto 29.09.2006. T his fact he has suppressed while reviving the policy on 17.10.2006 . Hence they had set aside the revival and offered paid up value.

The documents submitted were perused. It was clearly established that the life assured was suffering from jaundice for which he was under treatment during September 2006 which fact he had suppressed while answering questions in the personal statement of health submitted for revival of policy. As it was felt that the insurer is justified in setting aside the revival and offering the paid up value and vested bonus **the complaint was dismissed.**

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.01.2361/2008-09

Smt G.Kalarani

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-032/2008-09 dated 29.11.2008

The complainant's husband had taken a New Bima Kiran policy for sum assured Rs.1,00,000/- with date of commencement 28.06.2005. He died on 20.11.2007 due to brain tumour within Two Years, Four months and Twenty Two days of taking the policy.

The Insurer denied payment of the claim on the ground that the life assured was suffering from Hypertension for the past 6 years for which he was taking treatment which fact he did not disclose in the proposal submitted for the above policy. The claim was repudiate for suppression of material fact.

During the hearing the complainant stated that her husband was in good health and Three months before his death only he was not in good health. They argued that he had difficulty in breathing only for the last six months and probably the doctors have wrongly recorded six years of hypertension instead of six months in the case sheets.

The representative of the Insurer submitted the copies of the case sheet from Government hospital Chennai where the Insured was admitted for terminal illness. In the case sheet it is clearly mentioned that the patient is a known case of hypertension on tablet Amlodipine for the past six years. It is also reported that patient is a known case of bronchial asthma for the past Four years.

On perusal of the above documents it is proved that the Insured was suffering from above diseases prior to the date of proposal i.e 30.06.2005. **As misstatement and suppression of material facts was clearly established beyond doubt the action of Insurer in rejecting the claim was justified. The complaint was dismissed**.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.06.2369/2008-09

Smt .R.Selvi

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-033/2008-09 dated 17.12.2008

The complainant's husband had taken a Money plus policy with life cover for Rs.100000/- with date of commencement 04.06.2007. The assured died on 17.10.2007 due Status Epilepticus with acute Asphyxia within Four Months and Thirteen days of taking the policy.

The Insurer denied payment of claim on the ground of pre-proposal illness which was not disclosed in the proposal The Insurer contended that the Life assured was suffering from Bi-polar mental disorder with severe depression for which he was taking treatment. The Insurer offered Rs.12940/- being 80% of the Surrender value under the policy which was not acceptable to the complainant.

During the hearing the complainant stated that her husband was in sound health and suddenly took ill on the date of death. She denied that her husband had mental disorder.

The representative of the Insurer said that on investigation it was found that the Insured was under treatment for nervous disorder since 2004 and had taken treatment in various hospitals. He contended that the insured suppressed the above facts in the proposal submitted for insurance and hence they repudiated the claim. As the above policy was unit linked policy they offered 80% of the Surrender value of the Fund Value as per their rules.

On perusal of the documents submitted it was observed that the insured was suffering from complaints such as nausea, vomiting, loss of appetite, general weakness and irrelevant talks for the past one year before his death. Though it was reported that the insured was not mentally stable for the last 10 years it should not be said that he had knowingly suppressed the facts regarding his health while submitting the proposal. It was difficult to believe that the deceased had made deliberate misstatements and with held material information in order to benefit the pecuniary gain out of insurance. Therefore to ensure that justice is not denied to either of the parties contending, the Insurer was directed to refund the full premium of Rs.20000/- as Ex-gratia. The complaint was partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.009.2399/2008-09

Smt .R..Lakshmi

Vs

Bajaj Allianz Life Insurance Company ltd

AWARD No: IO (CHN) L-034/2008-09 dated 17.12.2008

R.Raja h/o of complainant R.Lakshmi had taken a policy of life insurance bearing no.23815705 from Bajaj Allianz Life Insurance Company Ltd. The life cover under the policy was for Rs100000/- and the annual premium was Rs10000/-. The policy had commenced from 18/07/2006. The life assured under the policy died on 09/09/2006 within 2 months. The complainant R.Lakshmi w/o late Raja who is the beneficiary under the policy preferred the death claim with the insurer. The insurer has repudiated the claim on the grounds of pre proposal illness not disclosed in the proposal.

I. The contention of the insurer was the insured was suffering from Diabetes earlier to the submission of the proposal. The insurer contended that the insured had suppressed the material facts regarding his health and therefore the contract gets vitiated and cannot be enforced. To prove their contention the insurer relied on (i) Medical attendants' certificate issued by Dr.V.Thigarajan of B.M.Hospital which said that the insured was suffering from Diabetes and the history of the same is shown as 5 years,(ii)Letter of Declaration from claimant in which the claimant admits that the insured was a known case of Type 2 DM and Hypertension for the past 3 years.

The complainant contended that her husband never had Diabetes/ Hypertension and the death is due to sudden Heart attack. Regarding the personal declaration made by her to the insurer she said she signed the letter given to her but she was not aware of its contents. A cursory glance of

the declaration revealed that the claimant has no knowledge of English except affixing her signature and she has signed the declaration written by others.

To establish pre proposal illness the only document to be relied upon was the Medical Attendant's certificate which reported the history of 5 years-DM. It is pertinent to note that the columns in the certificate referring to-Date when first observed, By whom treated, By whom history reported to you are not answered and left blank. The insurer was not able to prove the pre proposal illness with reliable clinching evidence.

However the primary cause of death of the insured is Myocardial infarction and the secondary cause is Diabetes Mellitus/Hypertension. Both the diseases are such that they are prone to lead to Cardiac arrest when not kept under control. Further these are degenerative diseases which will affect the system gradually and not immediately on their onset. Since the death took place within a short period of taking the policy it is very likely that the insured might be suffering from DM/HT even before proposing for the policy which fact would have been suppressed and not disclosed in the proposal.

In view of the above and taking all the factors into consideration the Ombudsman directed the Insurer to refund the initial premium of Rs.10,000/-(Rupees ten thousand only) on Ex-gratia basis as per rule 18 of RPG Rules-1998.

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.009.2418/2008-09

Sri.V.C.P.Periyakathan

Vs

Bajaj Allianz Life Insurance Company ltd

AWARD No: IO (CHN) L-035/2008-09 dated 28.12.2008

Mrs.TamilArasi wife of the complainant had taken a policy from Bajaj Allianz Life Insurance Company Limited for sum assured of Rs.407000/- commencing from 28.11.07 The Annual Premium was Rs.11000. She died on 22.12.07 within 24 days of taking the policy.

The Insurer repudiated the claim on the grounds of non-disclosure of pre-proposal illness stating the Insurer was suffering from GERD since May 2007. In the Medical attendant's certificate completed by Dr.K.RadhaKrishnan, the doctor reported that the Insured was suffering from GERD since 20th May 2007 and was under his treatment. The same doctor at the instance of the complainant has issued a certificate dated 13.08.08 stating that the Insured was under his

treatment for GERD with symptoms of stomach pain and nausea from 30.11.07 to 01.12.07 which pertains to post proposal period.

The Insured had declared her annual income as Rs.80000 and her occupation as Tailor. During the hearing he complainant said she was not a tailor and they were depending on agricultural income which is around Rs.20000 to 30000 per annum. He also said the insured herself was an insurance consultant. The insured has taken a policy for sum assured Rs.407000 a very high sum at the first instance itself agreeing to pay annual premium of Rs.11000 for 15 years.

The Insurer could not submit any clinching evidence other than the certificate from the doctor who has been inconsistent in his notings. Taking all these factors into consideration the Ombudsman directed the Insurer to refund the premium of Rs.11000 as Ex-gratia.

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.01.2486/2008-09

Smt R.Sugana

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-036/2008-09 dated 29.01.09

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The husband of the complainant had taken a Life Insurance policy for Sum Assured of Rs.50000 from LIC of India on 28.11.01. He died on 01.11.07 due to Coronary Artery disease in Government General Hospital. The Insurer repudiated the claim for non-disclosure of material facts stating the Insured was a known case post meningitic hydrocepchalus with Wilson disease, Rt. VP Stunt done on 01.01.99 which fact he had not disclosed in the proposal.

The complainant strongly disputed the claim of LIC that her husband was suffering from the above disease and contended that there may be serious errors in the medical records obtained by LIC which is the basis for repudiation of the claim. He also submitted that the Insurer subsequently offered to settle the paid up value under the policy which is not acceptable to her.

The forum had called for the records in the case from the Insurer and on going through the same it was observed that the insurer had no satisfactory evidence to prove the above pre-proposal illness of the Insured and they could not establish that the Life assured had suppressed fraudulently material information to render the contract void abinitio. Though there was evidence that Insured had history of myocardial infarction 5 years before and had discontinued medication, the forum felt the same was not sufficient to establish that the insured had fraudulently suppressed this information in his personal statement of health submitted while reviving the policy on 19.07.06.

Considering all the facts the Ombudsman directed the Insurer to settle the claim for full sum assured with accrued bonus and also to pay penal interest for the delayed settlement at the rate as prescribed by IRDA. **In addition to the above the Ombudsman also allowed an ex-gratia amount of Rs.1000/- to compensate for the mental agony caused to the complainant.**

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.08.2419/2008-09

Smt R.Kamala

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-037/2008-09 dated 30.01.09

The complainant's husband had taken a Money back policy from the Insurer with date of commencement 26.07.02 and sum assured Rs.50000. The policy had lapsed from premium due July'05 and Insured got the policy revived on 07.02.06 on the basis of personal statement of health submitted by him. He died on 10.06.06 within 4 month and 3 days from the date of revival.

The Insurer repudiated the claim on the grounds of suppression of material facts stating that the life assured had not disclosed in the personal statement of health submitted for revival of the policy, the fact that he had met with an accident and was under medical treatment during the year 2005 and 2006. The Insurer treated the revival as Null and Void and offered the paid up value and accrued bonus as on the date of lapse.

The insurer conducted the investigation in which it was found out that the insured was employed in Tamilnadu Electricity Board as line inspector, whereas he had mentioned his occupation in the proposal as farmer. As per the enquiry the insured was reported to have met with an accident during the month of March 2005 before revival of the policy. The claim form E completed by the employer of the Insured confirmed that the Insured had availed medical leave of 155 days in different spells during the period March'03 to July'05. The Insurer also filed a certificate issued by Assistant Surgeon of Government hospital, Tiruvannamalai that the Insured was treated for Injuries caused due to a Road traffic accident on 15.03.05. Subsequently the Insured had availed leave from 16.04.05 to 15.05.05 for the reason injury to spinal cord. The Insured had not disclosed these facts in the personal statement of health submitted at the time of revival.

Considering the above facts the complaint was dismissed .

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.01.24120/2008-09

Smt J.Parameswari

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-038/2008-09 dated 27.01.09

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The complainant's husband had taken an Endowment policy for sum assured Rs.100000/- commencing from 15th August 2000. The policy had lapsed for non-payment of premium due August'03 and the Insured got the policy revived on 12th December'05. Subsequently the Insured died on 2nd February'07 within a period of 1 year, 1 month and 21 days from the date of revival.

The Insurer repudiated the claim stating that the Insured was suffering from Diabetes Mellitus before reviving the policy and had not disclosed the same in his personal statement of health submitted at the time of revival of the policy. Hence, for non-disclosure of material facts they had treated the revival as Null and Void and offered the claimant the paid up value along with accrued bonus as on the date of lapse.

The Insured was admitted to Venkataramana hospital for terminal illness from 31.01.07 to 07.02.07. The Medical Officer of Venkataraman Hospital certified the claim form B that the

Insured had history of Diabetes Mellitus for which he was hospitalized in their hospital from 30.04.05 to 03.05.05. The Insured had suppressed this information in his personal statement of health submitted.

During the hearing the complainant also admitted that her husband was suffering from Diabetes and took treatment in the hospital for Seven to Eight months before the policy was revived. She contended that the Insured had not mentioned his illness in the personal statement of health as he was hospitalized only for 4 days which was less than a week.

It was pointed out that though the hospitalization was for less than a week he was under treatment for more than a week and had answered "NO" to the question "Did you take treatment for more than a week?" The question was regarding treatment and not regarding hospitalization.

Suppression of Pre revival illness having been established the complainant was dismissed

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.01.2433/2008-09

Smt M.Thangam

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-039/2008-09 dated 27.01.09

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One P.M. Meganathan brother of the complainant had taken a New Janaraksha Policy for sum assured Rs.30000 on 23.06.03. The policy had lapsed for non-payment of premium due since September'03 and was revived on 15.07.05 on the basis of personal statement of health submitted by the Insured. The insured died on 01.09.07 within a period of 2 years 1 month and 16 days from the date of revival.

The Insurer repudiated the claim on the grounds of suppression of material fact stating that the Insured had not reported that he was suffering from carcinoma penis and had undergone partial amputation and was under treatment.

The Insured was treated for terminal illness in CMC hospital Vellore and hospital records clearly revealed that the Insured was admitted to this hospital on 13.12.99, was diagnosed as a case of well differentiated scqamous cell carcinoma penis and underwent partial amputation on 17th December'99. On discharge the insured was advised for half-yearly check up. The insured had

also visited the hospital for review on 15th September'03 and was diagnosed for lymph node enlargement in right inguinal area.

It was also revealed from the enquiry that the Life assured had understated his age by more than 6 years declaring his age as 40 years (maximum entry age under the plan) instead of his correct age which was 46 years.

The Pre-Revival and Pre-Proposal illness and understatement of age having been established, the complaint was dismissed .

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.08.2411/2008-09

Smt T.Kalpana

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-040/2008-09 dated 31.01.09

The complainant's son R.D.Balaji had taken a Jeevan Mitra Policy (Triple Cover Endowment policy) for sum assured Rs.50000/- with date of commencement 10.03.2000. The assured died on 29.11.2000 due to Myocardial infarction within 8 months and 19 days of taking the policy.

The plan provides for payment of additional sum assured equal to twice the sum assured along with basic sum assured in case of death of the life assured during the term of the policy.

The Insurer repudiated the claim on the grounds that the life assured had not disclosed in the proposal that he was a student at the time of taking the policy and therefore was not eligible for the plan he had proposed. He had made incorrect statement and withheld correct information as regards his occupation.

The Insurer contended that the insured was a student of Mother Thersa Engineering College, Tirunavallur at the time of submitting the proposal. They contended that the plan proposed could not be offered for students and the proposer had wrongly mentioned that he was employed.

The investigating officer of the Insurer reported that life assured was chronic TB patient for 2 years and was not a sales representative and was a student of Mother Theresa Engineering College. He further reported that the Insured was not an employee of M/s Lakshmi Agency. The Insurer repudiated the claim not on the ground of pre-proposal illness but on the ground that the Insured was a student and not in employment.

The father of the life assured contended that his son was employed when he took the policy in February 2000. He said after completing the Diploma in 1999 he was working in different companies till September'02 till he got lateral admission to 2nd Year BE. In support of his contention he submitted a letter dated 10.02.2004 from M/S Lakshmi Agencies stating that he was working with them from 18.05.99 to 15.05.2000 as sales representative. He submitted another letter from J.K. Pharma Chem Cuddalore stating that the Insured was engaged by them as Technician apprentice till 24.05.2000. Transfer form conduct certificate issued by Annai Theresa college of Engineering, Tirunavallur certifies that R.D.Balaji got admitted to 2nd year BE on 14.09.2000 and left college on 22.11.2000. The complainant thus contended that his son was gainfully employed at the time of completing the proposal. On their part the Insurer was not able to submit any proof to show that the Insured was a student at the time of submission of proposal.

The enquiry officer reported that there was no Agency by the name Lakshmi Agencies in Panrutti. The father of the insured stated that the agency was floated by his maternal uncle and the same was subsequently closed. The insurer argued that the complainant had obtained the letter of employment in the letter head of Lakshmi Agencies in 2004 to establish that the insured was employed at the time of submitting the proposal ie. February 2000. The letter dated 10.02.2004 from Sri Lakshmi Agencies stated that the letter was issued as per the request of the mother of the Insured and that the Insured was working with them for a period of about 8 months as on the date of the proposal, whereas the insured had stated in the proposal that the length of service with Lakshmi Agency was TWO years.

Taking all the factors into consideration the Ombudsman awarded an Ex-gratia of Rs.50000/- and the complaint was partly allowed

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.08.2475/2008-09

Smt A.Pattu

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-041/2008-09 dated 05.02.09

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The complainant's husband had taken a New Janaraksha Policy for Sum assured of Rs.55000 with date of commencement 27.10.05. He died on 14.02.06 due to infected diarrhea within 3 months and 17 days of taking the policy.

The Insurer repudiated the claim on the grounds that the Life Assured had not disclosed the fact that he was suffering from Tuberculosis in the proposal submitted by him. The Insurer contended that the Life assured was taking treatment at Tambaram Sanatorium before proposing for the policy.

The complainant contended that her husband started complaining about chest pain one month before his death and he was taking treatment locally. She denied he was hospitalized earlier and said her husband never used to tell her anything openly.

The Insurer submitted certificate of hospital treatment issued by Dr.S.Kumar from Government chest diseases hospital,Tambaram confirming that the Insured was hospitalized from 23.01.06 to 29.01.06 and was diagnosed for PLHA/TB/Pleural effusion and he reported that the Insured was an old case of TB/HIV and earlier treated in the hospital from 21.04.05 to 29.04.05. The Insurer had also filed a letter issued by Superintendent of Government Hospital of Thoracic Medicine confirming that the Insured was admitted to the hospital from 21.04.05 to 29.11.05, 13.05.05 to 13.06.05, 09.12.05 to 28.12.05 and finally from 23.01.06 to 29.01.06 and was discharged against medical advice. He had been diagnosed for HIV, treated PT-Poly Arthritis.

It was observed that though the death intimation was made to the Insurer on 22.02.06 and claim forms were submitted on 12.05.06, the Insurer took a long time to repudiate the claim and the claim was repudiated on 04.04.08 more than Two years after intimation.

Taking all the above factors into consideration the Ombudsman awarded a Ex-Gratia Rs.6000/-

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.08.2483/2008-09

Smt G.Gunasundari

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-042/2008-09 dated 06.02.09

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The complainant's husband had taken 3 policies for a sum assured of Rs.50000 on 20.03.03, Rs.100000 on 27.02.04 and another 100000 on 13.03.04. He died on 03.11.04 due to cardiogenic shock / refractory ventricular tachycardia. The secondary cause was anterior valve Myocardial infarction / Diabetes mellitus / Renal failure.

The Insurer repudiated the claim on the grounds that the life assured had suppressed material information from them by not disclosing that he was suffering from Diabetes mellitus for which he was under treatment even before proposing for the above policy.

During the hearing the complainant said that her husband was working in Neyveli Lignite Corporation and they came to know that he had Diabetes only in January'04. They agreed the life assured was admitted earlier in Apollo hospital once and pleaded for sympathetic consideration of the claim.

The Insurer was able to establish that the life assured was suffering from Diabetes for 4 years before the date of admission to Apollo hospital on 01.11.04. The Insurer also submitted copy of the medical book of the Insured issued by Medical officer of NLC Hospital which clearly indicated that the insured was diagnosed for DM/HTN/Early Nephropathy earlier to January 2004.

The suppression of pre-proposal illness of the Insured having been established the complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.01.2434/2008-09

Smt Habibunnisa Begum

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-044/2008-09 dated 09.02.09

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The complainant's husband had taken two Jeevan Anand Policies for a sum assured of Rs 1 lakh each on 28.01.03 and 28.02.05. He died on 20.09.05 due to ischemic heart disease within a short period taking the above policies.

The Insurer repudiated the claim on the grounds of non-disclosure of material facts in the proposal stating that the life assured was suffering from Hyper tension, Coronary Artery Disease

and unstable Angina for which he was under treatment before taking the policy which fact he had not disclosed in the proposal.

The complainant contended that her husband was in good health at the time of taking the policy and denied he had any heart problem. She said her husband went to Apollo hospital in 2002 for a general check up on the advice of their family doctor.

The Insurer contended that the Life assured was under treatment form January'02 for heart related problems. The discharge summary from the Apollo hospital Chennai where the life assured had been admitted from 27.08.05 to 05.09.05 clearly stated that the Life assured had history of Hypertension for the past two years which proves that the Insured was suffering from hyper tension before he submitted his proposal dated 30.03.05. The outpatient case record dated 18.01.02 of Apollo hospital confirms that the Insured was diagnosed for Hypertension, Coronary Artery disease and unstable angina and was advised hospitalization for which he was not willing. This clearly shows that the Insured had Heart related problems and Hypertension as back as in January'02 and had submitted the proposal on 25.12.02 without disclosing these facts.

The suppression of pre-proposal illness having been established the complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.006.2447/2008-09

Smt Fathima perveen

Vs

Birla Sun Life Insurance company Limited

AWARD No. IO (CHN) L-045/2008-09 dated 09.02.09

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The complainant's husband had taken a Classic Life Premier Policy for sum assured of Rs.375000 with date of commencement 28.06.06 from Birla Sun Life Insurance Company. He died on 13.06.07 due to ARDS-Leukemia within 11 months and 15 days of taking the policy.

The Insurer repudiated the claim on the grounds that the Life assured had suppressed the material facts that he was suffering from Hypertension, Diabetes and Cancer for which he was under treatment before taking the policy.

The complainant contended that her husband was diagnosed for Diabetes and Hypertension only a few months before his death. She was not aware that her husband was diagnosed for Blood cancer or he underwent chemotherapy. She said her husband visited Mahatma Brain and Spine center for some nervous problem in 2005 and pleaded for sympathetic consideration.

The Insurer in support of his contention submitted various documents which revealed that the Insured was suffering from Anemia, ARDS, Diabetes and acute Leukemia. The hospital reports clearly indicated that the Insured had undergone cobalt therapy at Meenakshi Mission Hospital Madurai from 23.11.05 to 08.01.06 and 04.02.06 to 02.05.06. The Insured had undergone Decompression through Transpedicular approach at Mahatma Brain and Spine center during May'05.

The Insurer was able to prove that the Insured had pre-proposal illness, information about which he had suppressed in the proposal. Considering the above facts the complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.07.2474/2008-09

Smt. Kosalai

Vs

Life Insurance corporation of India

AWARD No. IO (CHN) L-046/2008-09 dated 10.02.09

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The complainant is the father's sister of the Life assured one Gurumurthi Achanna. The Insured had taken an Endowment policy on 14.07.06 for sum assured Rs105000/-. He died on 02.08.07 and the death was due to suicide. The complainant who was the nominee under the policy preferred the claim. The Insurer denied payment of claim on the grounds that the Life assured had committed suicide within one year from the date of commencement of risk under the policy and as per the terms and conditions of the policy contract the policy had become Null and Void and nothing is payable there under.

The cause of death of the Life assured was reported as Suicide. It was reported that the body of the deceased life assured was found in a forest away from his residence or work place in a decomposed state. As per the Police Inquest report the life assured was last seen alive on

02.08.07 and his dead body was found in a forest on 05.08.07 and it was reported that a bottle of pesticides was lying near the body. As per FIR the death was attributed to intake of poisonous medicine used for cotton seeds. As per Postmortem report dated 05.08.03 it was stated that death could have occurred 72 hours before Postmortem. There were no external injuries and viscera were sent for chemical analysis and final opinion was reserved. The date of death was fixed as 02.08.07

The policy was issued with date of commencement 14.07.06 with an endorsement that the risk under the policy commences on 08.08.06. The Insurer repudiated the claim on the grounds that as on the date of death though One Year had elapsed from the date of commencement of the policy the death had occurred within One Year from the Date of Commencement of Risk. The suicide clause in the policy reads that the "Policy shall be void if the life assured commit suicide at any time on or after the date on which the risk under the policy has commenced but before the expiry of One Year from the Date of commencement of risk under the policy and the Corporation will not entertain any claim…….". From the document submitted it was observed that the proposal under the policy was dated 13.07.06 and the same with all requirements was submitted to the Insurer on 14.07.06. The policy was not underwritten at the Branch but was referred to Divisional Office on 02.08.06 as the Life assured had some deformity and this fact was also communicated to the Insured. The Divisional office underwrote the risk on 07.08.06 which should have been normally reflected as Date of commencement/Date of Risk under the Policy. Due to some technical problems the branch issued the policy with date of commencement 14.07.06 and placed an endorsement that the risk under the policy commences from 08.08.06.

The circumstantial evidence point to Death by Suicide and even the postmortem report could not fix the exact cause of death. Considering all the above factors the Ombudsman awarded an Ex-gratia of Rs.10000 and the complaint was partly allowed.

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.07.2487/2008-09

Smt.Vasantha

Vs

Life Insurance corporation of India

AWARD No. IO (CHN) L-047/2008-09 dated 16.02.09

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The complainant's husband had taken an endowment policy for sum assured Rs.50000 with date of commencement 28.01.05. He died on 06.09.07 due to acute Myocardial Infarction within 2 years 7 months of taking the policy.

The Insurer repudiated the claim on the grounds of suppression of material fact stating that the Life assured was suffering from Diabetes Mellitus, acute ASMI for which he was taking treatment before he proposed for the policy which fact he had not disclosed. As per the last Medical Attendant's certificate the Life assured was diagnosed for Diabetes 2 to 3 years prior to his death. The investigating officer reported that the deceased life assured had got admitted himself for treatment in the Salvation Army Catherine Booth Hospital, Nagercoil from 01.02.04 to 07.02.04 for Type-2 Diabetes and acute ASMI. The discharge summary issued by Salvation Army Catherine Booth Hospital clearly certifies that the Insured was admitted in their hospital from 01.02.04 to 07.02.04 and was diagnosed for Type-2 DM and acute ASMI. The details of treatment were also furnished. It was also pertinent to note that the deceased life assured was an employee in the above hospital.

Since the Insurer was able to prove the suppression of pre-proposal illness with clinching evidence the Ombudsman dismissed the complaint.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.04.2502/2008-09

Shri VellaiDurai

Vs

Life Insurance corporation of India

AWARD No. IO (CHN) L-048/2008-09 dated 24.02.09

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The complainant's son V.Malaichamy, aged 27 years had taken an Endowment policy for sum assured Rs.50000 with date of commencement 27.12.02. The policy had lapsed from premium due 06/05 and Insured revived the policy on 27.03.06. He died on 08.04.07 due to viral Meningitis.

On investigation it was found that the life assured was admitted in Meenakshi Mission Hospital, Madurai from 17.10.04 to 26.10.04 for complaints of Headache, drooping eye lids, History of Double vision and was diagnosed for calcified tumour of the pineal gland and right half of mid brain and was treated under GA for Right Ventriculo Peritoneal Shunt on 19.10.04. The complainant also admitted that his son was admitted to the hospital. All these facts the proponent had not disclosed in the personal statement of health submitted by him while reviving the policy.

The pre-revival illness and suppression of material fact having been established the complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.03.2508/2008-09

Shri K.Kaveri

Vs

Life Insurance corporation of India

AWARD No. IO (CHN) L-049/2008-09 dated 24.02.09

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The complainant's wife had taken an endowment policy for sum assured Rs.1 lakhs with date of commencement 28.02.2002 from LIC of India. She died on 02.05.07 due to heart attack within One year, Seven Month and 18 Days of reviving the above policy on 28.09.05 which had earlier lapsed.

The Insurer denied payment of Death claim on the grounds that the Life assured had suffered from Diabetes Mellitus for 10 years prior to death and was on insulin which fact she had not disclosed in the personal statement of health submitted for revival of the policy. Therefore, the Insurer declared the revival as Null and Void and repudiated the claim and said No claim can be entertained for the paid up value also as the policy had not acquired any value as on the date of lapse.

The complainant argued that the life assured was not suffering from Diabetes for 10 years and the hospital report was wrong. They said the Life assured was suffering from Diabetes for nearly Two years only prior to her death.

The Insurer to prove their contention submitted number of medical documents. Discharge summary from Dakshi Trauma centre and hospital where the life assured was admitted from 05.03.07 to 06.03.07 revealed that the Insured had past history of Diabetes. Dr.Gnasekaran who was treating the insured certified that Insured was suffering from Diabetes and was on regular treatment since 3 years prior to her death. Discharge/Death summary from Ramakrishna hospital stated that insured was a known case of Diabetes Mellitus of 10 years on Insulin and TB-OsteoMylitis of right ankle. The Insurer was able to prove that the Life assured was suffering from not only pre-revival illness but pre-proposal illness too.

Considering the above facts the Ombudsman dismissed the complaint

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.05.2511/2008-09

Shri A.P.Gurusamy

Vs

Life Insurance corporation of India

AWARD No. IO (CHN) L-050/2008-09 dated 26.02.09

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The complainant's son aged 28 years had taken a Money back policy for sum assured 75000 with date of commencement 28.01.2000 from LIC of India. The Insured got the policy revived which was in a lapsed condition on 04.02.05. He died on 25.07.06 due to Tuberculosis, Pericardial effusion and HIV within One Year and 5 months of reviving the policy.

The Insurer repudiated the claim on the grounds of non-disclosure of material facts stating the Insured had not disclosed in the personal statement of health submitted by him for revival that he was suffering from TB and HIV. The Insurer declared the revival as Null and Void and offered the paid up value and bonus accrued under the policy prior to the date of revival.

In support of his contention the insurer submitted number of medical documents to prove the pre-revival illness of the insured. The discharge summary from Udayam Hospital where the insured was admitted from 21.03.06 to 27.03.06 revealed that the patient had TB for which he took a complete course of ATT drugs. The Insured was diagnosed for viral meningitis with stage IV AIDS. The attending doctor of Udayam hospital certified that the insured visited their hospital on 23.08.04 for TB and was advised to undergo HIV test which he refused. The complainant also admitted that since 2004 his son had been in and out of hospital and was last admitted during March'06.

The suppression material fact of pre-revival illness having been established the complaint was dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.04.2604/2008-09

Shri Vannirajan

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-052/2008-09 dated 27.02.09

The complainant's wife had taken a Money plus policy with life cover for Rs.100000 sum assured on 21.03.07. She died on 06.08.07 within 4 months and 15 days of taking the policy due to cardio respiratory arrest and bleeding Diathesis/Anemia.

The insurer repudiated the claim on the grounds of suppression of material information stating that the life assured was suffering from severe Anemia, Malaena with Pedal edema and had undergone Hysterectomy 3 years ago for DUB which fact she had not disclosed in the proposal.

In support of their contention the Insurer submitted Discharge summary issued by Vadamalayan Hospital, Madurai where the insured was admitted for terminal illness. She was diagnosed for Comatose, Anemia, Thrombocytopenia and Intra Cerebral Hemorrhage. The history of bleeding Diathesis, bleeding gums, Hematuria and Anemia was reported by her husband. The Medical attendant certificate confirms that the Insured had undergone Hysterectomy 3 year back for DUB.

During the hearing the complainant admitted that his wife had undergone Hysterectomy operation 4 years ago and she had undergone scan 6 months prior to her death and it was reported that there was water accumulation in the brain. The complainant further stated that he did not want the insured amount but only requested for return of premiums paid under the policy.

Suppression of material facts of pre-proposal illness was clearly established and it was felt that the repudiation action of the Insurer was justifiable. However, since the policy was a Unit Linked Insurance policy the Ombudsman directed the Insurer to settle the surrender value of the fund value of Units held under the Unit account as Ex-gratia under the policy. **The complaint was partly allowed.**

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.04.2605/2008-09

Shri Mahalingam

Vs

Life Insurance corporation of India

AWARD No. IO (CHN) L-053/2008-09 dated 27.02.09

The complainant's son had taken a New Janaraksha policy for Rs.50000 Sum assured on 26.10.07. He died on 03.01.08 in a tragic road accident within 2 months and 7 days of taking the policy. The Insure denied the claim on the grounds that the assured was not a major on the date of proposal and as such was not competent to enter into the contract. The Insured maintained that the assured had over stated his age and had not disclosed his correct age.

During the hearing the complainant stated that his son had studied upto 8th Standard in Higher Secondary School and he only submitted the transfer certificate of his son for proof of age with date of birth 30.01.90. When asked whether he had any age proof to substantiate his son's age he submitted Municipal Birth Certificate of the Insured as per which the date of birth of Insured was 31.10.89.

The Insurer stated that the Life assured had furnished only ration card in support of this age and had submitted self-declaration as 19 years. They argued that since the transfer certificate which is a standard age proof confirms the date of birth of the Insured as 30.01.90. It was evident that the assured was only 17 years 8 months 25 days old at the time of proposing the Insurance and as a minor he is not competent to enter into the contract.

Even as per the Municipal birth certificate which declared the age of the Insured as 31.10.89 the Insured would be 17 years 11 months and 24 days on the date of the proposal and was still a minor. The ration card submitted as age proof does not mention the date of birth and assuming the date of birth as 1st July the Insured would be just over 18 years on the date of proposal whereas in the self-declaration it is shown as 19 years. The Ombudsman felt that the Insurer ought to have exercised more caution while accepting such border line cases rather than rejecting the claim on the grounds of minority after the death of the assured.

Taking all these factors into consideration the Ombudsman awarded a sum of Rs.15000/- on Ex-Gratia basis. The complaint was partly allowed.

Smt.Christopher Jeyanthi

Vs

Life Insurance corporation of India

AWARD No. IO (CHN) L-054/2008-09 dated 27.02.09

The complainant's husband had taken an Endowment policy for sum assured Rs.50000/- with date of commencement 28.04.05. He died on 19.07.06 due to Myocardial Infarction within 1 year 2 months 21 days of taking the policy. The Insurer repudiated the claim on the grounds that the deceased life assured had suppressed the fact of his suffering from Diabetes while proposing for the Insurance.

The Insurer contended that the life assured was suffering from Diabetes and had been admitted to hospital on 17.09.03 for Diabetic Gangrene right toe. In support of his contention the Insurer submitted the details of case summary from Scam Hospital- Nagercoil which revealed that the deceased life assured had been admitted to that hospital on 17.09.03 with Diabetic Gangrene right big toe and Diabetic Nephropathy. A surgery was performed on 24.09.03 and he was discharged on 29.09.03 with an advice to continue Insulin. The complainant had herself admitted in the claim form A that her husband had consulted Dr.SamSahayaDoss on 17.09.03 for Diabetic gangrene.

The Insurer was able to prove pre-proposal illness and suppression of material facts. Hence the complaint was dismissed

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.07.2474/2008-09

Sri Anjaneyalu

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-055/2008-09 dated 03.03.09

The complainant's mother had taken an Endowment Policy for sum assured Rs, .50000 with date of commencement 28.07.04. She died on 04.02.07 due to Myocardial infarction.

The Insurer repudiated the claim on the grounds of suppression of material fact stating that the life assured had not disclosed the fact of suffering from Angina Pectoris prior to taking the policy for which she availed medical leave during August'07.

The complainant contended that his mother died to sudden heart attack and had no heart ailment before and had never been admitted in the hospital for any sickness. He said she had availed sick leave to go to her native place.

The Insurer contended that their investigation revealed that the insured was under treatment since 2001 for heart disease and was taking treatment in Kilpauk Medical college hospital where she was employed as sanitary worker. The Insurer stated that the Insured had consulted Dr.K.Vasanthi of KMC hospital on 20.08.01, 02.09.06 and 19.09.06 for the complaint of Angina Pectoris. The Insurer submitted copies of medical certificate for leave issued to insured by Dr.K.Vasanthi. In all the three certificates for dates referred above it was stated that the insured was suffering from Angina Pectoris and medical history was given as Chest pain, Dyspnea. The Insurer also submitted a certificate from the employer of the insured which reveals the insured had gone on leave from 20.08.01 to 29.08.01, 02.09.06 to 17.09.06 and 19.09.06 to 28.09.06.

The Insured was working as Sanitary worker in Government Kilpauk Medical college Hospital and all the above certificates and claim form were completed by the authorities of the above hospital. There was no mention of any leave availed during the intervening period-29th August 2001 to 17th September 2006 when the disease on both the days was Angina pectoris. The ailment would not be generally shown as Angenia Pectoris unless the employee was really suffering from the disease in the medical certificate. In the claim forms completed by the authorities, many questions had not been fully answered suggesting an attempt to hide the real facts. The Insurer could not get convincing evidence and the Insured also appears to have suppressed the information regarding the disease suffered by her prior to proposal date. **Considering all these aspects the Ombudsman awarded a sum of Rs.15000 as Ex-gratia. The complaint was partly allowed.**

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.07.2674/2008-09

Sri R.Perumal Konar

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-056-2008-09 dated 12.03.09

The complainant's brother had taken two policies for sum assured of Rs.1 lakh each on 28.10.2000 and 22.07.2004. He died on 23.08.07 due to brain fever.

The Insurer repudiated the claim stating that the life assured had understated his age by 17 years and had thus given false answers in the proposal form. At the time of taking the policy the deceased life assured had mentioned his age as 40 and 44 years respectively. He had submitted horoscope as proof of age.

The complainant declared that he had lost his school certificate and he did not possess any other proof of age. While submitting the claim forms the complainant had submitted an affidavit signed by one Sri. A.MuthuKumar mentioning therein that the age of the insured was 56 years at the time of death. The complainant had mentioned his age as 53 years in the claim form and had mentioned the age of the insured as 47 years. However, during the hearing the complainant said that he was the younger brother of the Insured and that he was aged 55 years and the Insured was 56 years.

The Insurer had caused an investigation and obtained a certificate issued by Panchyat Union Middle school where the Life assured had studied which revealed the date of birth of the insured as 04.10.1943. Accordingly his age at the time taking the policies would have been 57 year and 61 years and not 40 and 44 years as stated. Even in the family ration card the complainant is shown as younger to the insured.

The Death certificate issued by the Deputy Thahsildar also revealed the age of the insured as 56 years at the time of death. It is pertinent to note that the agent under the first policy was none other than the complainant's wife.

On going through all the above records and the information available it was proved beyond doubt that the assured had suppressed his real age and thereby deprived the Insurer of a fair chance of assessing the risk. The complaint was dismissed.

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.04.2670/2008-09

Sri Pethannan A

Vs

Life Insurance Corporation of India

AWARD No. IO (CHN) L-057-2008-09 dated 13.03.09

The complainant's mother had taken an endowment policy for sum assured of Rs.50000 on 28.03.2000. She revived the policy that had lapsed on 05.05.04 by submitting a personal statement of health dated 04.05.04. She died on 10.08.05 due to cardiac arrest and ischemic heart disease within 1 year, 3month 5days of reviving the policy. The insurer repudiated the claim on the grounds that the life assured had suppressed the material information regarding her health while reviving the policy and had not disclosed that she was suffering from Cardiac problems for the past 15 years and had availed treatment in a hospital at Oddanchatram

During the hearing the complainant stated that he had been pursuing the claim for the past 4 years but the life assured was treated for cancer in CF hospital, Oddanchatram in 2005 only and not earlier. He said that his mother was neither treated for any ailment earlier to the date of proposal nor earlier to the date of revival. She was treated since June 2005 for two months as out patient.

The Insurer contended that the insured while reviving the policy had suppressed the fact that she was suffering from cardiac problem for 15 years and had availed treatment in Government Hospital, Oddanchatram. In Claim Form-B Dr.A.Muthuswamy of Oddanchatram had certified that the assured had chest pain and restlessness and she had been suffering from that disease for the last 15 years. The Head of Special Panchayat Oddanchatram had mentioned in Claim Form that the assured was suffering from Heart Disease for two years. The treatment card details of Christian Fellowship Hospital, Oddanchatram dated 16.06.05 reveal that the Insured was diagnosed for Cirrhosis with portal hypertension , cancer, and ischemic heart disease. The medical superintendent of Christian Fellowship hospital replied to the Insurer that there was no patient by name K.Mayela wife of Kannan in their outpatient or inpatient record. The Life assured had been medically examined by the Insurer's doctor both at the time of issuing the policy and at the time of revival of the policy. It is to be noted that the report of the Medical attendant in Claim form B and the information available in Claim Form C cannot be totally ignored as these reports were submitted by the complainant himself.

Considering all the above facts the Ombudsman directed the Insurer to pay a sum of Rs.35000/- on Ex-gratia basis. The complaint was partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO (CHN) 21.004.2564/2008-09

Sri R.Manoharan

Vs

ICICI PRUDENTIAL LIFE INSURANCE CO.LIMITED

AWARD No. IO (CHN) L-058-2008-09 dated 25.03.09

The complainant's wife had taken two policies for sum assured of Rs.120000 and Rs. 200000 on 19.07.06 and 16.10.06 respectively. She died on 15.11.07 due to cardio pulmonary arrest within a short time of 1 year 3 months from the date of proposal.

The Insurer repudiated the claim on the grounds of suppression of material fact stating that the insured had failed to disclose the fact that she had undergone NECT-CHEST in January'06 which revealed pneumonitic changes and also was suffering from Diabetes mellitus since 3 years which fact she did not disclose in the proposal submitted by her. Hence the insurer said that they are not liable for any payment under both the policies and forfeited all the monies paid under the policies.

During the hearing the complainant contended that his wife had not suppressed any material fact and she being a doctor had no motive to suppress. He said that his wife was suffering from throat irritation and in this connection she underwent test during January'06 and she was not suffering from TB/Cancer. He denied that his wife had Diabetes and had undergone chemotherapy.

The life assured was a doctor by profession and was specializing in cardio thoracic surgery. She underwent NECT-CHEST test during January'06 which revealed right upper lobe pneumonitic changes with fibrotic strands. Before her death the insured was treated in Eswari Nursing Home in the discharge summary it is mentioned that she was on Chemotherapy and a known case of Diabetes mellitus. In the medical attendant's certificate issued by Dr.M.Kamaleswari it is mentioned that the Insured was suffering from Diabetes mellitus for 2 to 3 years and that she was diagnosed for Right Lung Adeno Carcinoma in Apollo hospital. The complainant contended that all tests held during January'06 and February '06 confirmed that his wife was not suffering from cancer when she submitted her proposal for Insurance.

Even if it is fact that the Insured was not diagnosed for cancer prior to the date of proposal due to which she died later, the fact remains that she was suffering from some ailments for considerable time for which she underwent above tests to get the proper diagnosis done. Even if the results appear to be insignificant she should have truthfully disclosed in the proposal that she had some disorders and had undergone various tests. It is to be noted that the proposals were accepted

under non-medical scheme and had the proposer applied for high sum assured the Insurer would have asked her to appear for medical tests which might have revealed the true facts.

Considering the above facts the decision of the Insurer to reject the Life Insurance Cover under the policies was found justified. However, the two policies under question were Unit Linked Life Insurance Policies and the Premiums paid by the Insured are not just Risk Premium under the policy but include considerable portion of savings element which she deposited with the Insurer. Unlike conventional Insurance, the Investment risk in investment portfolio is borne by the policyholder. From the premiums paid by the policyholder a percentage of the premium is appropriated towards life cover charges, fund management charges etc. **As such the action of the Insurer forfeiting the fund value under the policy was not justifiable. Hence, the Ombudsman directed the Insurer to pay a sum of Rs.80000 and Rs.30000 under the policies respectively on Ex-gratia basis. The complaint was partly allowed.**

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OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

Case No: IO(CHN) 22.02.2579/2008-09

Smt.S.Nagammal

Vs

Life Insurance Corporation of India

AWARD No: IO (CHN) L-059/2008-09 dated 30.03.2009.

The complainant's husband working as a track man in Railways had taken a Jeevan Saral policy for Rs. 100000/- for a term of 15 years. The policy provides for payment of Maturity sum assured of Rs.39516/- at the time of maturity whereas the Life cover during the term of the policy referred to as Death benefit is Rs.100000/- The policy was taken on 28.03.04 and the life assured died on 25.08.06 reportedly due to pulmonary tuberculosis.

The Insurer repudiated the claim on the grounds of non-disclosure of material facts stating that they had evidence to prove that the Life assured was a chronic smoker for the past 40 years and an ex-alcoholic since 2 years which fact he did not disclose in the proposal.

During the hearing the complainant stated that the policy was taken under Salary Saving Scheme and to their knowledge the Insured had not taken treatment in any hospital and they are not aware that he had taken sick leave. She stated that the Insured was not a smoker and had no drinking habits.

The Insurer submitted the records obtained from the Railway Hospital and the Leave records of the employee. The Life assured had been hospitalized from 01.06.06 to 26.07.06 in Railway hospital Perambur and he was diagnosed for pulmonary tuberculosis first observed six months back which pertains to post-proposal period. In the case sheet dated 18.04.06 there was a mention that the insured had stopped alcohol-past six months. As per this insured can be said to have stopped taking alcohol around November'05 but this does not confirm since when he was taking alcohol. The Insurer produced records of hospitalization of the Insured from 21.11.05 to 10.12.05 during which time he was diagnosed for Tuberculosis and put on ATT drugs. In the past history it was recorded that the Insured was a chronic smoker-40 years X 8 beedies per day and ex-alcoholic until 2 years ago. As per this the alcoholic habit of the Insured can be taken back to December'03 which pertains to pre-proposal period by a margin of 3 months.

The Insurer had not been able to establish pre proposal illness i.e Tuberculosis as it was diagnosed during December'05 subsequent to the date of proposal. Further the Medical examiner of the Insurer opined in his letter that the Insured could have developed TB subsequent to Medical Examination done by him and he had examined the Life assured thoroughly and had found him fit for Insurance. It is pertinent to note that smoking and alcoholism can be referred to as habits and not illness. The proponent was an un-educated person and had affixed his Left Thumb Impression in the proposal and cannot be said to have fraudulent intention while answering the question in the proposal. If the life assured were to be a chronic smoker /alcoholic the agent who introduced the policy should be have observed this and disclosed the same while answering Q.No.(6) dealing with personal habits of the Insured in his confidential report.

Though the habit of smoking/drinking can be considered as material to underwrite the risk, the Insurer had not been able to prove this effectively with any clinching evidence proving side by side the fraudulent intention of the Insured. However, it is to be observed that the habit of smoking/drinking has a nexus to the disease Tuberculosis from which the Insured died. Further from the Leave records it was observed that the Insured had availed considerable sick leave during the period 2001 to 2003 which fact was not disclosed by him in the proposal. **Taking all these factors into consideration the Ombudsman awarded on Ex-Gratia basis a sum of Rs.50000/- and the complaint was partly allowed.**

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DELHI

Death Claim

CASE No.LI-AJ/80/08

In the matter of Smt. Asha Kashyap

Vs

Life Insurance Corporation of India.

AWARD dated 19.11.2008

Smt. Asha Kashyap had lodged a complaint with this Forum on 22.09.2008 that her husband had a policy no. 184200415 from Life Insurance Corporation of India, Branch Office-Kota-1 under Divisional Office-Ajmer. The policy was issued to commence from 28.07.2002 under table and term 106/15/12 for a sum assured of Rs.50000/-. It was further conveyed that her husband expired in road accident on 03.12.2005 and she being the nominee lodged a claim with the Branch Office- Kota. She submitted all the papers required for settlement of the claim for basic sum assured as also for settlement of Double Accident claim as the policy was issued with Accident benefit. The Insurance Company however settled her case for Rs.25000/- as Ex-gratia payment.

The Insurance Company vide their letter dated 01.11.2008 informed the Forum that the policy was issued to commence from 28.07.2002 under Salary Saving Scheme and after the payment of the initial amount deduction from the salary could not commence. The policy therefore remained in lapsed condition. The policy was revived in the month of March 2004 on payment of 18 monthly premiums and thereafter the mode of payment of premium was changed to half yearly w.e.f. from 28.07.2004. The first unpaid premium under the policy is 28.07.2005 and the policy holder died on 03.12.2005 after four months and five days and they considered the case on ex-gratia basis as per their claim manual Chapter- 03, Para 4(B) which reads as follows:

"If death of the life assured has occurred between 3 to 6 months of the due date of FUP, claim will be considered to the extent of – ½ of sum assured. No bonus is payable. No deduction of premiums."

Accordingly they paid 50% of the sum assured i.e. Rs.25000/- and this being an ex-gratia payment, double accident benefit was not payable.

At the time of hearing the representative of the Insurance Company reiterated the points conveyed vide their letter dated 01.11.2008 and confirmed that no payment becomes due to be paid to the complainant.

On the basis of the documents submitted and after having a careful perusal of the status of the policy, it is observed that the policy has already completed three years and the life assured has died within 6 months of the First Unpaid Premium. While going through the Conditions and Privileges of the policy under condition no. 4 "Non- Forfeiture Regulations para 2 which inter-alia states that "Notwithstanding what is above stated, if, after at least three full years premiums have been paid in respect of the policy, any subsequent premium be not duly paid, in the event of the death of the Life Assured within six months from the due date of the first unpaid premium, the policy moneys be paid as if the policy had remained in full force after deduction of (a) premium or premiums unpaid with interest thereon to the date of death on the same terms as for revival of the policy during such period and (b) the unpaid premiums falling due before the next anniversary of the policy."

In view of the clear and unambiguous provisions the Insurance Company should have considered the case under the above provisions instead of some administrative provisions laid down in their claim manual. It is a settled law that when two provisions relating to the same matter exist then the one which is a part of the contract/ favourable to the claimant will prevail. In the present case the provisions incorporated in the policy being the part of the contract should have been considered.

I, therefore, in view of the forgoing, pass an Award that the Life Insurance Corporation of India should reconsider the case under the policy conditions as stated above and the claimant should be paid as if the policy had remained in full force after deduction of (a) premium or premiums unpaid with interest thereon to the date of death on the same terms as for revival of the policy during such period and (b) the unpaid premiums falling due before the next anniversary of the policy. This will make the claimant eligible for full sum assured + bonus and the double accident benefit subject to deduction of Rs.25000/- already paid.

GUWAHATI

Guwahati Ombudsman Centre

Case No.21/007/064/L/08-09/GHY

Md. Atowar Ahmed

-Vs-

Max New York Life Insurance Co. Ltd.

Award dated : 04.11.2008

The Deceased Life Assured Nurjahan Begum, mother of the Complainant, obtained a policy bearing No. 322976150 for an Assured Sum of Rs.50,000/- commencing from 18.12.2007. The policyholder died on 26.01.2008 due to "Hepatic Encephalopathy". The nominee lodged the claim with Insurer. The Insurer repudiated the claim on the ground of suppression of material facts as regards health of the deceased policyholder. Being aggrieved, the nominee moved this forum for redressal.

The Insurer has contended in their "Self Contained Note" that the DLA had knowledge that she was suffering from "Hepatic Encephalopathy" prior to issuance of the policy. As per the undertaking given in the proposal form, DLA was duty bound to intimate the Respondent any changes in any of the statements made in the proposal subsequent to the signing of this proposal and acceptance of risk and issuance of the policy by the Respondent. The DLA had consulted Doctor Akhtar Ahmed on 15.01.2008. Dr. Ahmed has categorically mentioned in his statement that DLA was suffering from "Hepatic Encephalopathy" since past 15 days prior to her death i.e. before the issuance of the policy.

On enquiry, it appears that the Insured Nurjahan Begum submitted the proposal for the policy on 18.12.2007 and the Insurer has issued the policy on 15.01.2008 which was sent to the Insured on 30.01.2008. The proposal form contained declaration of the Proposer to the effect that "I / We undertake to notify the Company, forthwith in writing, of any change in any of the statements made in the proposal subsequent to the signing of this proposal and acceptance of risk and issuance of the policy by the Company". The Complainant, in the claim form, stated that the Insured had consulted Dr. Akhtar Ahmed on 11.01.2008 for treatment of ailments like "Loss of appetite", "Yellowish discolouration" etc. It proves that the Insured was suffering from the diseases diagnosed to be "Hepatic Encephalopathy" since 11.01.2008 i.e. prior to issuance of the policy of insurance on the proposal.

Although the Insured was suffering from the above mentioned disease since 11.01.2008 but no information was given, as required to be given in writing to the Insurer before issuance of the policy on 15.01.2008 and there was clear suppression facts as regard the health condition of the Insured. The Insured has violated the terms / conditions of the policy.

This Authority, considering the facts and circumstances, opined that the repudiation is just & proper. The complaint is dismissed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/007/121/L/08-09/GHY

Mr. Anup Kar

- Vs -

Max New York Life Insurance Co. Ltd.

Gurgaon/ N. Delhi / Kolkata

Award dated : 19.01.2009

Smt. Kalyani Kar, mother of the Complainant, had taken a policy bearing No.373685023 with the date of commencement on 22.07.2008 with a Sum Assured of Rs. 5,00,000/-. The Insured died on 01.08.2008. The Complainant, being the nominee, filed a claim which was repudiated by the Insurance Company on the ground of withholding of material particulars in regard to her health about sufferings from Hypertension in the proposal form. He sought intervention of this forum in getting his payment, which is due to him.

The Insurer has contended that the proposal was signed on 22.07.2008 and policy dated 31.07.2008 was issued on 01.08.2008 and the PLI died within the period of 10 days of submitting the proposal form i.e. on 01.08.2008. On receipt of the claim, the case was duly investigated. As per Medical Certificate dated 20.09.2008 issued by Dr. A.K. Medhi, procured during investigation, it has been revealed that PLI was a known case of Hypertension, gastritis and general weakness and was under treatment for the same since 3 years prior to death. Thus, the claim of the Complainant was repudiated on the ground that the PLI had concealed the fact of having disease of Hypertension etc. for last 3 years at the time of proposing the policy."

The Complainant has stated in the death intimation report that the Insured died on 01.08.2008 due to "Cardio Respiratory Failure". He has also admitted in the Form – A (Paragraph – 4 (b)) that his mother Kalyani Kar was suffering from ailments like

"Hypertension and Gastritis" since 2005. The attending Doctor has stated in his certificate dated 20.09.2008 that the Insured was treated since last three years prior to that for diseases like "Hypertension, Gastritis and General weakness". The attending Doctor has also furnished two prescriptions dated 16.06.2006 and 10.08.2007 and all the above proves that Kalyani Kar was suffering from the diseases like "Hypertension and Gastritis". The Complainant has however attempted to throw the burden of such concealment upon the Agent. Saying that the Agent is from the locality of the petitioner and he is aware of the physical condition of his deceased mother. According to him, it was due to the fault of the Agent. But the rule is that the Agent, through whom the proposal was submitted, has acted on behalf of the Insured and any statement made therein can be treated to be the statement made by the Insured. The Insurer was prevented from taking proper steps while underwriting the proposal because of such concealment of facts.

Held that the contention of the Insurer that DLA was suffering from "Hypertension, Gastritis and General weakness" and was under treatment for the same since three years prior to death, is in order. The DLA was aware of this position and it was in her knowledge. Repudiation is upheld and the complaint is dismissed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 24/001/145/L/08-09/GHY

Mr. Indra Sonowal

- Vs -

L.I.C. of India, Doomdooma B.O. under Jorhat D.O.

Policy Nos. 440897419, 440217347 & 441060474

Award dated : 13.03.2009

Mr. Probin Sonowal, brother of the Complainant, procured the above policies from the Doomdooma Branch of the L.I.C.I. having Double Accident Benefits. The Policyholder was murdered during the period covered under the policies and Police investigation was done. On receipt of the claims, the Insurer has settled the claims making payment of the Sum Assured with accrued bonuses to the Complainant but the Double Accident Benefit portion involved in the policies were not paid due to non submission of final Police Investigation Report. Subsequently, the Complainant had submitted the said report but the

Insurer has not settled the claim even though considerable period of time has elapsed. Being aggrieved the Complainant approached this forum for redressal.

Both the parties were asked to appear for a hearing but neither the Complainant nor the Insurer appeared. The Complainant although claimed Double Accident Benefits under the policies but he has failed to produce the copies of policy documents. However, the copy of the letter dated 02.02.2009 shows that the Insurer has admitted that excepting under Policy No. 441060474, the other two policies were covered by the Double Accident Benefit Clause as it was opted by the Policyholder. Thus under the remaining two policies, Double Accident Benefit is payable. The relevant documents which are required for releasing the Double Accident Benefit have also been submitted by the Complainant on 23.07.2008. But according to the Insurer, non availability of policy documents with the Jorhat Divisional Office, and absence of the members of the Standing Committee in the Office causes the delay in settlement of the claims. Non availability of records and members of the Standing Committee in the station cannot be said to be a justified ground for the Insurer to cause delay in settlement of the claims. The delay causes deficiency in service. The Insurer requires to take an early action to settle the claims and pay the penal interest for the delay.

The Insurance Company was directed to complete the process of settlement of the claims relating to payment of the Double Accident Benefits under policy Nos. 440897419 & 440217347 within fifteen days. The Insurer was also directed to release the penal interest on the settled amount which shall be calculated w.e.f. 23.07.2008 till the amount is released.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/001/075/L/08-09/GHY

Mr. R. Lawrence Yanthan

- Vs -

L.I.C. of India, Kohima Branch under Jorhat D.O.

Award dated : 01.12.2008

Mrs. Chumbeno, wife of the Complainant, had a policy bearing No. 442118111 for Sum Assured of Rs.1,00,000/- under Table & Term 150-20 commencing from 12.08.2005. The

Insured died on 18.10.2005. The Complainant, being the nominee under the policy, lodged the death claim with the Insurer. As the Insurer sat over the claim the Complainant moved this forum for redressal.

The Insurer has contended in their "Self Contained Note" that Mr. R.L. Yanthan, the nominee under the policy is the Agent of LICI. The DLA was a Category III lady and as such she was not eligible for a policy under Table 150 (New Bima Kiran). Moreover the DLA was having no income of her own as she was a house wife and a house wife does not become eligible for insurance unless her husband is adequately insured. Had her correct occupation been disclosed at the time of proposal the proposal would have not been accepted. The DLA with a connivance with the Agent, suppressed the above stated material facts to defraud the Corporation and as such the claim under the policy stands repudiated vide letter dated 07.02.2008.

On a perusal of the papers on record, it appears that the relevant rules applicable to "New Bima Kiran" policy, under Table 150, also provides that all male lives and female lives falling under Category I & II only are eligible to have the policy. The Insurance Manual further provides provisions under which a Category - III woman can have the policy on her life. The proposal was submitted by the Insured on 10.08.2005 for a policy under Plan and Term 150-20 for a Sum Assured of Rs.1,00,000/- with the premium being payable quarterly. In the relevant columns, the occupation and exact nature of duties of the Insured / Proposer was stated to be "Business" being "Self Employed" with an Annual Income of Rs. 24,000/- from her business. She had also disclosed that she is not an Income Tax Assessee. The Proposer / Insured further declared that the nominee is her husband, Mr. R. Lawrence Yanthan, whose occupation was "LIC's Agent of Kohima Branch" having an Annual Income of Rs.72,000/-. The Insured / Proposer clearly disclosed all the relevant particulars in the proposal form including doing LIC's Agency business by her husband Mr. R. Lawrence Yanthan. The Agent / Complainant Mr. R. Lawrence Yanthan also in his report as the Agent, in Form No. 3251/380 (Rev) 91 has stated that Mrs. Chumbeno, being his house wife, was doing business, having income of Rs.24,000/-. All the required particulars in the proposal form were duly disclosed by the Agent. In column No. 13 (c), the Insured further disclosed about having insurance of the husband. In the hearing, the representative of the Insurer has stated that the concerned Assistant, while capturing data (entering into the Computer), wrongly shown the Proposer to be a Category – I woman and thereafter the proposal was accepted and the policy was issued. He clarified that the Proposer / DLA was not entitled to have the policy in question being the Category – III female and her husband has also got no insurance coverage of equal amount. From his statement, it can be gathered that issuance of the policy was due to wrong entry of the data in the computer at the underwriting stage. The observation of the Standing Committee also reads as under, which appears to be material :-

"Since the tribal people are exempted from the payment of Income Tax, they are treated female life Category II and on the nature of business. Table 150 is not allowed to Category III female but the underwriter, considering above concept, accepted the proposal."

From all the above, it is clear that due to the fault or carelessness of the person responsible for the underwriting job, the Proposer was treated to be a Category – II female instead of treating her to be Category - III female and the Insurer accepted the proposal, followed by issuance of the policy, although neither the Proposer / DLA nor the Agent concealed or suppressed any material facts in the proposal form. Repudiation was set-aside and Insurer was directed to settle the claim.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/003/119/L/08-09/GHY

Mr. Ram Kishore Goel

- Vs -

Tata AIG Life Insurance, Mumbai, Guwahati

Award dated : 17.02.2009

The Deceased Life Assured Indra Goel had obtained a policy bearing No. C-220371247 for Sum Assured of Rs.80,000/- with the date of commencement on 16.10.2006 nominating her husband as beneficiary in the event of her death. The Insured died on 16.02.2008. The Complainant, lodged a claim under the policy before the Insurer, which was however repudiated by the Insurance Company on the ground of suppression of material facts by the Insured in the proposal form about her health. Being aggrieved the nominee lodged the complaint in this forum.

The Insurer has contended that the investigations carried out by the Company revealed that the Life Assured was suffering from Asthma since childhood and that was diagnosed with severe obstruction and low vital capacity of lungs in January, 2005. The Insurer further contended that she was under treatment of various Doctors including Doctors of Apollo Hospitals, Chennai and Dr. Pranab Baruwa and at GNRC Hospital, Guwahati. It has been alleged that despite the above medical history, the Life

Assured had falsely replied in the negative in Answer to Question No. 2 of Step 5, Question No. 1 (a) of step 6 and Question No. 4 (e) of step 8 in the application for insurance. The Company, has therefore, repudiated its liability under the policy vide letter dated 4th April, 2008 which was addressed to the complainant.

The representative of the Insurer stated that all the answers made in the proposal form were false, as in fact, the Insured Indra Goel was suffering from "Asthma" since childhood which is a disease relating to respiratory system. He mentioned that the death certificate also proves that the Insured died on 16.02.2008 due to "acute severe Asthma". All the medical documents proves that Indra Goel was being treated by Doctors for her chronic Asthma since few years back from the date of her death. The death certificate issued by the GNRC Hospital proves that the Insured died due to acute severe Asthma being immediate causes and the death summary issued by the GNRC Hospital also proves that Indra Goel was a known case of Asthma since childhood on irregular medication. The Complainant Mr. Ram Kishore Goel has also admitted that the Insured Indra Goel was found to be suffering from Asthma since 1968 and she was treated under Dr. Pranab Baruwa since last 2/3 years and prior to that she was under treatment of relative Dr. M.C. Agarwala. The prescription also proves that Dr. Pranab Baruwa treated her on 15.12.2003 and thereafter the Insured was treated at Apollo Hospital, Chennai on 27.06.2003 and all such medical documents proves that she was suffering from Asthma which appears to be a respiratory related disease and was under treatment of various Doctors of New Delhi, Chennai besides Doctors of Guwahati. All such treatments were taken since 1968 as stated by the Complainant and the Insured also visited Chennai, New Delhi since 2003 but she had willfully concealed / suppressed all such particulars while answering to the queries in the proposal form.

Repudiation is found justified and Complaint is dismissed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/001/114/L/08-09/GHY

Mrs. Sapna Jain

- Vs -

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

Award dated : 22.01.2009

The deceased life assured Sanjay Kr. Jain, husband of the Complainant, had obtained two policies bearing Nos. 482737843 & 483217026 for Sum Assured of Rs. 2,00,000/- and Rs.10,00,000/- under Table & Term 149-20 & 153-20 respectively. The Insured died on 23.09.2006. The nominee lodged death claims with the Insurer. The Insurer repudiated the claims on the ground of suppression of material facts as regards the health of the deceased policyholder. Being aggrieved, the Complainant lodged the complaint in this forum for redressal.

The complaint was taken up for hearing in the presence of both the parties. The Insurer has contended that the Proposer / Insured was suffering from Hypercholesterolemia, a known case of systemic Hypertension for last five years on regular therapy. He was also suffering from Hemianopia, Hemihyperaesthesia and Ataxic Hemiparesis for which he had consulted Doctors and had taken treatment in the Hospitals. During the course of hearing, the representative of the Insurer has also produced five medical documents in proof of the fact that the Insured attended / treated at Apollo Hospital, Chennai wherein after due investigation, the Hospital Authority mentioned the above final impression of investigations. The Complainant has also admitted that her husband Sanjay Kr. Jain went to Chennai Apollo Hospital where he had undergone master check up on 01.03.2002. She has also specifically admitted that her husband Sanjay Kr. Jain was suffering from Hypertension since the time of his reading in Class – X and on being advised, he was taking medicines for that. The certificate issued by the Apollo Preventive Health Screening Centre also proves that Sanjay Kr. Jain attended the above Hospital for general check up with the following complaints :-

"Decreased sensation right side body – 2 days. Difficulty in using right hand for eating and putting button for shirt." The present known illness of Mr. Jain has also been stated as "Hypertension five years on regular medication".

All the medical documents clearly indicates that Sanjay Kr. Jain was suffering from Hypertension besides having complications of other problems and that was confirmed on 01.03.2002 for which he had taken treatment in the Apollo Hospital. The Insured however did not disclose any such facts about sufferings from Hypertension etc. in the proposal form which were submitted after such treatments. He thereby concealed his health condition and gave false answers to the queries mentioned in Sl. No. 11 (a) to 11 (i) in the proposal forms and procured the policies for illegal gains. It is a fact that had it been disclosed, the Insurer would have got scope to take appropriate action while underwriting the proposals which could not be done due to such concealment. Repudiation was justified and complaint was dismissed.

Case No.21/001/073/L/08-09/GHY

Mrs. Anima Chanda

-Vs-

L.I.C. of India, GBO – I ., under Guwahati D.O.

Award dated 14.10.2008

Mr. Bhanu Bhusan Chanda had taken Life Insurance Policy No.483680923. The Insured / Policyholder expired on 07.02.2007 due to "Hepato Cellular Carcinoma". Mrs. Anima Chanda, wife and nominee under the policy, preferred a claim under the above policy to L.I.C. of India, Guwahati Branch – I, under Guwahati D.O. But the Insurer repudiated the claim stating that the DLA had withheld material information at the time of revival and the concealment affected revival decision. Being aggrieved, the Complainant approached this forum for redressal.

The Insurer contended that the policy was in lapsed condition which was revived on 27.11.2006 on the strength of DGH (Declaration of Good Health). In the DGH, the fact of ailment (suffering from Hepato Cellular Carcinoma) was suppressed. The copy of discharge certificate dated 13.06.2006 discloses that the DLA had undergone treatment in Guwahati Medical College Hospital from 05.06.2006 to 13.06.2006 where diagnosis arrived at was "Hepato Cellular Carcinoma".

On scrutiny of the documents submitted by the Insurer reveals that the Insured Bhanu Bhusan Chanda was admitted in the Medical College Hospital on 05.06.2006 wherefrom he was discharged on 13.06.2006 and he was treated for the disease "Hepato Cellular Carcinoma" (Hepatitis B related) with Hypertension. The claim form "E" (Certificate of the Employer) also discloses that the Insured was absent from his duties since 27.11.2006 and even prior to that he availed leave on medical grounds on a number of occasions. On being referred by the Govt. of Assam vide Notification : HSG/MT/438/05/6918 – 21 dated 21.06.2006, the Insured was admitted to Apollo Hospital, Chennai for the treatment of disease "Hepato Cellular Carcinoma". All the above appears to have been done prior to submission of the particulars in Form No. 680 for revival of the policy on 27.11.2006 but while replying to queries as regards his condition of health, the DLA suppressed all such particulars with malafide intention.

Keeping in view of the above, the decision of the Insurer was found to be based on sustainable grounds. The complaint was dismissed as the forum did not find any valid ground to interfere with the decision of the Insurer.

Guwahati Ombudsman Centre

Case No.21/001/059/L/08-09/GHY

Mrs. Jamini Gogoi

-Vs-

L.I.C. of India, GBO – 2, under Guwahati D.O.

Award dated = 07.11.2008

Mr. Dani Ram Gogoi was insured under Life Insurance Policy No. 482949249 under G.B.O.- 2 of LICI, Guwahati D.O. for a Sum Assured of Rs.1,01,000/- under Plan and Term = 14 -10. The policy commenced on 28.05.2003. The Insured died on 18.04.2006 due to "RTI with CA. Oropharynx with Anemia". When the claim for the policy moneys was preferred by the nominee, the Insurer repudiated the claim on the ground of suppression of material facts by the Insured in his proposal dated 03.01.2004.

The Insurer has contended that the DLA availed 37 days commuted leave converted to 74 days (with half pay on medical ground) w.e.f. 25.06.2001 to 31.07.2001 as he was implanted with a permanent Pacemaker on 25.06.2001 (as per copy of medical certificate of Dr. A.K. Bhattacharyya of G.M.C.H., Guwahati dated 31.07.2001). The concealment affected underwriting decision.

On an analysis of the case, it is revealed that as per certificate of the attending Doctor, Dr. A.K. Bhattacharyya, the Insured was hospitalized on 25.06.2001 for complete heart block and was implanted with a Pacemaker on 25.06.2001. The Employer vide Office Order dated 09.08.2003 sanctioned leave and the DLA availed leave on medical ground with full pay for 37 days with effect from 25.06.2001 to 31.07.2001. It appears that the answers furnished by the Insured in respect of the queries made in Column No. 11 of the Proposal Form are all false. All the above facts about his hospitalization, implanting Pacemaker, availing leave on Medical ground etc. were intentionally suppressed in the proposal form dated 03.01.2004. As the Insurer was able to prove with clinching evidence that there is suppression of material facts at the time of taking insurance policy, this forum finds no ground to interfere with the decision of repudiation of the claim and the complaint is therefore dismissed.

Case No.21/001/054/L/08-09/GHY

Mrs. K. Laxmi

-Vs-

L.I.C. of India, Digboi B.O., under Jorhat D.O.

Award dated = 20.10.2008

The Deceased Life Assured K. Ramoo had obtained a policy bearing No. 441964699 under Table & Term 14 – 07 for Sum Assured of Rs.50,000/- commencing from 26.08.2004 nominating his wife as beneficiary in the event of his death.

The Life Assured died on 14.07.2007 due to Cardio Respiratory Failure. The Complainant lodged the death claim which was repudiated by the Insurer holding that nothing is payable under the policy. Being aggrieved the nominee lodged the complaint in this forum.

The Insurer, in their "Self Contained Note", contended that at the time of death of the L/A, the policy was in lapsed condition and FUP was 09/07. It appears from the premium history that premium due 08/07 was adjusted keeping the gap of the previous three dues viz 05/07, 06/07 & 07/07. The premium due 08/07 was collected and adjusted after the death of the L/A. The Insured died on 07/07 and as such there is no scope for deduction of premium from the salary of 08/07. The policy was lapsed as on date of death of the L/A without acquiring any paid up value. Hence, nothing is payable under the policy.

On scrutiny, we find that Insurer has wrongly adjusted due 08/07 keeping gaps for due 05/07, 06/07 and 07/07. The Insurer has also raised that the last due premium viz 08/07 was collected and adjusted after the death of the L.A. If we consider that the Insurer should not have adjusted premium collected after death then also FUP is 05/07 giving full advantage to the Insurer. Taking FUP as 05/07, the duration of the policy is found to be two years nine months. In the Policy Servicing Manual (Part – I) in chapter – 3 Sl. No.27, it is clearly mentioned that the claim under policies where premiums are paid for full two years and the L.A. dies after expiry of Days of Grace but within three months of the due date of the first unpaid premium; consideration of claim will be to the extent of the full Sum Assured together with the declared bonus subject to recovery of the unpaid premiums. Without applying the above relaxation clause, Insurer has repudiated the claim which is not justified although there is no bar that the claim relaxation clause is not applicable to SSS policies. "Repudiation / not payable" of the claim is set-aside. The Insurer is directed to settle the claim within 15 days.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/001/056/L/08-09/GHY

Smt. Sushmita Das

- Vs -

L.I.C. of India, Digboi Branch under Jorhat D.O.

Award dated : 10.12.2008

The deceased life assured Sanku Ranjan Das had obtained four policies bearing Nos. 442442455, 442438009, 442993530 & 442993847 from Digboi Branch of LICI under Jorhat Divl. Office. The Insured died on 03.08.2007 and the Complainant, being his wife / nominee under the policies, submitted her claims. The claim under Pol. No. 442442455 has been repudiated and in respect of the other policies the Insurer has not settled the claims. Being aggrieved, the Complainant approached this forum for redressal.

The Insurer, vide letter dated 06.08.2008, has stated that Pol. No. 442442455 was procured with the date of commencement on 09.08.2006 and premium was paid only upto August/2006. The next premium due on February / 2007 was not paid even within the grace period and the Insured died on 03.08.2007 while the policy was in fully lapsed condition. So nothing is payable under the above policy. As regards the claims in respect of other policies, the Insurer has stated that the above policies were involved in early claims and the matter was being investigated through Sodepur Branch under Kolkata Sub-urban D.O. and due to non receipt of the Investigation Reports, the claims could not be settled as yet.

During the course of hearing, the representative of the Insurer stated that Pol. No. 442442455 was in lapsed condition as on the date of the death of the Insured on 03.08.2007. The First Unpaid Premium was February / 2007. He clarified the position that a policy under half yearly premium due is treated as lapsed, if the premium is not paid within the grace period of one month from the due date. This is also a policy under half yearly mode and the First Unpaid Premium was February / 2007 whereas no premium was paid within the grace period upto 09.03.2007. The Policyholder died on

03.08.2007 i.e. after about six months from the First Unpaid Premium and consequently while the policy was in lapsed condition. The Insurer has repudiated the claim and informed it to the Insured vide letter dated 29.01.2008. The Complainant has also failed to prove the payment of premium due in February / 2007. The Policyholder died within one year from the date of commencement of the policy on 09.08.2006 and that too while the policy was in lapsed condition. The repudiation of the claim by the Insurer, in such a circumstances, cannot be said to be contrary to the policy conditions. Thus I find no material to interfere with the decision of the Insurer in respect of this policy. The statement of the representative also goes to show that settlement of the claims in respect of the other policies were delayed due to non receipt of the Investigation Reports from their Sodepur Branch under Kolkata Sub-urban Divl. Office. The letter dated 31.07.2008, 11.09.2008 & 21.10.2008 also proves that Jorhat Divl. Office is pursuing the matter for collecting the Investigation Reports in respect of the death of the Insured. Whatever it may be, mere pursuing the matter for collecting the reports is not enough and the grievance of the Complainant will not be redressed unless the claims are settled or a final decision is taken.

The Insurer is directed the Insurer to settle the claims under the Policy Nos. 442438009, 442993847 and 442993530 within 15 days.

HYDERABAD

Hyderabad Ombudsman Centre

Case No: L-21-001-0237-2008-09

Smt.P.Sarojana

Vs.

LIC Of India, Divnl.Office, Warangal

Award Dated:: 20.10.2008 **Award No: I.O.(HYD) L-0028-2008-09**

The complaint is about the repudiation of accident benefit on Policy No:680371614 by LIC Of India, Divisional Office, Warangal.

Late Shri P.Ramachandra Rao took a policy for Rs.50,000 under Table 14-20 years with date of commencement 14.9.1989. He was murdered on 16.6.07 and when claimed for moneys under the Policy, LIC Of India settled only the basic sum assured and rejected the Accident Benefit on the policy.

The complainant contended that her husband was murdered by dacoits without any reason and

LIC of India rejected the accidental benefit.

After hearing both the parties on 30.9.08 and perusal of all the documents submitted, it is clear that the life assured was an agriculturist and actively engaged in the settlement of panchayat cases in the village, as an elderly person in their village.

The Charge Sheet submitted by the Police to the Hon'ble Judicial 1st class magistrate, Mahabubabad which clearly states that the life assured had the following incidents, with the accused, which led to the planned murder by the accused:

1 During a settlement of a Panchayat dispute of a hand loan, the deceased beat one Mr.Keemiya, and so, his family members bore grudge against the deceased. The accused 1 to 7 in the murder case, belong to same family, with relationship to Mr.Keemiya. The accused A1,A3,A5,A6,A7 are his brothers while A2 & A4 are his sons.

2 After 15 days of the above incident, Mr.Keemiya found dead in an agricultural well and a case was filed against the life assured as accused under Cr.No.74/07 u/s 174 Cr.PC, Suspicious Death.

3 The deceased has got illicit intimacy with the sister of one of the accused A-1.

4 The deceased complained against the accused A-1 when the latter got a contract in auction, for construction of Makmikunta Tank for five lakhs due to which, the contract was cancelled.

5 The deceased complained against the accused A-1 when the latter got a contract to lay a road in between Kollapur to Ippa Thanda that A-1 was cutting the trees of the forest dept. for which A-1 was fined an amount of Rs.80,000.

6 The deceased in another incident, complained against A-1 that the latter was planting Ganjai plants in his land, in which case, A-1 had to spend Rs.50,000 for getting a bail.

7 When A-1 contested for Sarpanch Post of Kollapur village, the deceased got published pamphlets against A-1 to defame him and A-1 lost the Sarpanch post.

All these above incidents, had led to animosity and grudge against the deceased By A-1 and so, A-1 with the help of all his family members A-2 to A-7 planned to kill the deceased and did it on 16.6.2007 when the deceased was returning to the village on his Hero Honda bike from Mahboobabad. The accused A-1 to A-7 laid him near Teak plantation, on the way, started discussion with him by quarrelling and they dragged him into the teak plantation and murdered him with a sickle.

As the murder of the deceased was due to the quarrels and grudge developed in all the above incidents, between him and the accused, it cannot be treated as an accidental

murder and the same was treated as Murder Simplicitor by the Insurer, LIC Of India and rejected the accident benefit on the policy, which is fully justifiable.

Hence the complaint is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-002-0048-2008-09

Smt.Haseena Begum

Vs.

SBI Life Insc.Co.Ltd., Mumbai

Award Dated:: 20.10.2008 **Award No: I.O.(HYD) L-0029-2008-09**

The complaint is about the repudiation Outstanding Loan Amount on Master Policy No:83001000507 by SBI Life Insurance Co.Ltd., Mumbai

Late Shri Mohd.took Housing Loan of Rs.3,00,000 from State Bank of Hyderabad, APHB, Kukatpally and he and his wife Smt.Haseena Begum were insured under the Group Home Loan Policy of insurance each for Rs.3,00,000. The policy started from 1.9.2006 and the insurance cover is of diminishing nature and the outstanding loan as on the date of death of the assured would extinguish, if such contigency occurs.

Hri Mohd.Ibrahim, died on 22.5.2007 and when claim for the benefit under the policy, the insurer SBI Life Insc.Co.Ltd. rejected the claim saying that the deceased had previous history of CAV (Cerebal Vascular Accident) with residual paralysis which was not disclosed in the Declaration of Good Health dt.11.3.06 submitted to them.

The complainant contended that her husband suffered a paralytic attack on 13.2.2006 and expired on 22.5.07 and he never suffered from any major ailment and had no previous medical record of ill health but the Insurer rejected the benefit under the policy.

Both the parties were heard on 17.9.08 and all the documents submitted were perused.

The Life assured Shri Md.Ibrahim, alongwith his wife Smt.Haseena Begum took a housing loan of Rs.3,00,000 from SBH, APHB,Kukatpally branch and enrolled themselves in the Group Housing Loan Policy each for Rs.3,00,000, by submitting a declaration of Good Health dt.11.3.2006 which was received by the Insurer on 22.7.2006. The premium was received by the Insurer on 1.9.2006 and the policy was issued with date of commencement 1.9.2006.

Shri Md.Ibrahim had died due to CVA (Cerebro Vascular Accident), after suffering for 15 months. He was admitted on 13.2.2006 in Krishna Institute of Medical Sciences Ltd., Secunderabad and the diagnosis was Acute Hematoma involving the pons with mass effect on fourth ventricle. He was discharged on 28.2.2006 from KIMS, Secunderabad on request. He died on 22.5.2007 in Remedy Hospital, KPHB Colony, Kukatpally, Hyderabad, after suffering from the hemiperesis on left side, for about 15 months.

He was on leave on sick grounds from 13.2.06 to 28.2.2006; again from 22.4.06 to 2.6.06; 4.6.06 to 18.9.06 and again from 2.2.07 to 30.4.07.

The Declaration of Good Health for insurance was signed by him on 11.3.2006 and submitted to State Bank of Hyderabad, which was received by the Insurer on 22.7.2006.

As the history of illness and treatment taken in KIMS, Secunderabad was not disclosed in the DGH dt.11.3.2006 submitted to the Insurer, they were justified in repudiating the claim.

The SBI Life Insurance Co.Ltd. by their letter dt.30.9.08, confirmed that the Insurance coverage on Mrs.Haseena Begum shall continue.

Hence the complaint is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0188-2008-09

Smt.Nishrat Begum

Vs.

LIC Of India, Divisional Office, Karimnagar

Award Dated:: 20.10.2008 **Award No: I.O.(HYD) L-0030-2008-09**

The complaint is about the repudiation of claim on Policy No:684467435 by LIC Of India, Divisional Office, Karimnagar.

Late Shri M.A.Mateen took a life insurance policy Bimagold from LIC Of India for Rs.1,00,000 under Non Medical Basis, which commenced from 28.4.2006 and he died on 21.4.2007. When the nominee claimed for the benefit under the policy, LIC Of India rejected the claim stating that the deceased was suffering from pneumonia, chest pain, Diabetes Mellitus and had been taking treatment for the same and he did not disclose these material facts in his proposal dt.30.3.2006.

The complainant contended that the life assured was hale and healthy and not having any bad habits. He suddenly expired on 21.4.07. Dr.P.S.Dattatreya, Oncologist, Indo-American Cancer Institute and Research centre, Hyderabad, who treated the deceased gave a certificate in claim form B dt.21.5.2007 stating that the life assured suffered from the disease "Malignant peripheral nerve sheath Tumour" since last five months before his death.

Both the parties were heard on 30.9.08 and all the documents submitted were perused.

Shri M.A.Mateen consulted Dr.K.Bhoom Reddy, TB & Chest Specialist of Nizamabad on 30.12.2005, as per the prescription dt.30.12.05 for pain in Rt.Chest with cough. It was diagnosed as Pneumonia of Rt.Lung. The history of Diabetes was also stated in the Medical Examiner's prescription. Dr.K.Bhoom Reddy prescribed medicines and asked him to visit again after 20 days. Further, the deceased was on continuous treatment as out-patient by Dr.K.Bhoom Reddy, as per his prescriptions dt.10.6.06, 6.7.07, 2.8.06, and 12.9.06.

The Medical Attendant Certificate (claim form B), dt.27.12.2007 submitted by Dr.K.Bhoom Reddy clearly states that he treated the life assured for 2 years for Pain in Rt.Chest and history of Diabetes, the first date of consultation was 30.12.2005 and the primary cause of death was Pneumonia Rt.Lung (Tumour)

He was admitted on 13.1.07 in Indo-American Cancer Institute & Research Centre, where he was diagnosed as suffering from "Malignant peripheral nerve sheath Tumor" and was treated and discharged on 18.1.07 due to financial crisis and the condition on discharge was Poor.

The following aspects, in the case, were observed, for which due attention is to be given by LIC Of India and suitable action against the concerned may be initiated:

1 The Proposal was booked by an Agent Smt.V.Laxmi w/o Shri V.Ramulu, Ag.Code 531680, who witnessed the proposal.

2 The Claim form B dt. 27.12.2007 issued by Dr.K.Bhoom Reddy was witnessed by Agent Shri V.Ramulu, Code No.15142648

In the said claim form B, Dr.Bhoom Reddy stated that he treated the deceased for the last 2 years, for Pain in Rt.Chest and Diabetes and the first consultation was on

30.12.2005.

3 Shri V.Ramulu, Agent, CM Club Member recommended to Zonal Manager, vide his letter dt.14.3.08, knowing fully well about the facts from claim form B, which he witnessed, for payment of the death claim stating that the deceased was his policy-holder; who took the policy from 28.4.2006 and he consulted a Medl.practitioner at Nizamabad as Outpatient, when he visited the place on business purpose.

No cognizance is given to the statements of Mr.V.Ramulu, Chairman Club Member by LIC Of India, when he states that:

a) the LA was his policy-holder, whereas the proposal was booked by Smt.V.Laxmi, Code 531680?

b) the life assured consulted a medical practitioner as "outpatient" only at Nizamabad prior to the policy?

It is therefore, deemed that the agent had misled the life assured and the Insurer and hence, LIC Of India is directed to refund all the premiums paid to the complainant.

In view of the irregularities, it is also suggested imposition of pecuniary penalty to the concerned for the loss sustained by LIC Of India; besides suitable action.

The claim is **partly allowed.**

Hyderabad Ombudsman Centre

Case No: L-21-002-0270-2008-09

Smt.B.Anuradha

Vs.

SBI Life Insc.Co.Ltd., Mumbai

Award Dated:: 30.10.2008 **Award No: I.O.(HYD) L-0031-2008-09**

The complaint is about the repudiation of claim on Policy No:83001000203 by SBI Life Insc.Co.Ltd., Mumbai.

Late Shri B.Yadagiri took housing loan of Rs.4,70,000 from State Bank of India, LOangar House branch, Hyderabad and took a Home Loan Insurance cover by submitting a declaration of good health dt.3.3.2004. The policy commenced from 6.4.2004 and he died on 2.9.2004 within 5 months.

When claimed for the monies, the Insurer SBI Life Insc.Co.Ltd. repudiated the claim saying that the deceased was suffering from Old Anterior Wall Myocardial Infarction since 2001 which fact was not disclosed in the DGH dt.3.3.2004.

The complainant contended that the life assured died due to Heart attack on 2.9.2004 and inspite of the intimation of death to the Insurer, no response is given by them and only on 2.9.2008 they received a letter from the Insurer, enclosing therewith a letter dt.11.5.2005 communicating that the claim was repudiated.

Both the parties were heard on 30.10.08 and all the documents submitted were perused.

The life assured died on 2.9.2004 in Mahavir Hospital & Research Centre, Hyderabad. As per the Death summary dt.20.10.2004, issued by Mahavir hospital & Research Centre, the life assured was a known patient of "Old Ant.Wall MI (2001), 2VD, LV Dysfunction and DM" and died due to cardiac arrest.

The Life assured did not disclose the fact of his illness in his DGH dt.3.3.2004 and obtained the coverage under the Master Policy. The basic principle of any insurance policy viz. Utmost Good Faith is breached by him.

Hence the repudiation action taken by SBI Life Insurance Co.Ltd. as per their letter 11.5.2005 is fully justified. However, it is suggested to the Insurer to take proper steps to ensure the receipt of such important communications, in future, by the beneficiaries.

The Complaint is **dismissed**.

Hyderabad Ombudsman Centre

Case No: L-21-002-0199-2008-09

Smt.B.Vijayalakshmi

Vs.

SBI Life Insc.Co.Ltd., Mumbai

Award Dated:: 30.10.2008 **Award No: I.O.(HYD) L-0032-2008-09**

The complaint is about the repudiation of claim on Policy No:23015378409 by SBI Life Insc.Co.Ltd., Mumbai.

Late B.Narahari took a life insurance policy "Horizon II" Unit Linked Policy from SBI Life Insurance Co.Ltd. for Rs.1,20,000,by submitting a proposal dt.23.6.07, and the policy commenced from 2.7.07. He died on 4.10.2007.

When claimed for the monies, the Insurer SBI Life Insc.Co.Ltd. repudiated the claim saying that the deceased was suffering from Diabetes and Kidney Problem and took treatment for the same and he did not disclose all these material facts in his proposal dt.23.6.07.

The complainant contended that the life assured expired with chest pain. He has no medical treatment from last two years and he died with heavy chest pain and had been taken to a local hospital i.e.Sushma Hospital, Toopran where he expired within minutes. The insurer the rejected the claim on the policy.

Both the parties were heard on 30.10.08 and all the documents submitted were perused.

As per the Certificate dt.1.12.2007 issued by Dr.Aftab Hussain, supported by his medical prescription dt.2.3.07; the deceased was treated by him as outpatient on 2.3.2007 and the deceased was a diabetic patient and was getting treatment outside for last six years for kidney ailment.

The Medical prescription dt.29.4.06 by Dr.V.Uday Kiran Reddy, Toopran and the Examination of Urine dt.2.3.2007 from Clinical Laboratory, Hyderabad reveal that the deceased consulted a doctor, prior to the date of the proposal. The certificate dt.1.10.08 issued by Dr.V.Uday Kiran Reddy confirms that the deceased was suffering with Renal Stone since 3 to 4 years prior to submission of the proposal.

The statement of the son of the deceased Mr.B.Devender Chary also confirms that the deceased got checked up in Jayaprada Hospital, Lothukunta where he was diagnosed as a patient of Kidney stone, for which he took medicines.

The Life assured did not disclose all these facts in his proposal dt.23.6.07 and hence the insurer was justified in repudiating the claim on the Policy. The fund value of Rs. 5,389.00 was already

paid to her by cheque No.155497 dt. 20.12.2007 by the Insurer, as per their letter dt. 22.12.2007, the receipt of which was confirmed by the complainant.

The complaint is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-009-0253-2008-09

Shri.Sambasiva Rao

Vs.

Bajaj Allianz Life Insc.Co.Ltd., Vijayawada

Award Dated:: 17.11.2008 **Award No: I.O.(HYD) L-0033-2008-09**

The complaint is about the repudiation of claim on Policy No:0016453164 by Bajaj Allianz Life Insc.Co.Ltd., Vijayawada.

Late Smt.Nagothi Ramanamma, aged 49 yrs., took a life insc.policy "Allianz Bajaj Unit Gain" from Bajaj Allianz Life Insc.Co.Ltd. for sum assured of Rs.17,50,000 for a term of 16 years, with a premium of Rs.3,50,000 under annual payment mode. The policy commenced from 28.6.2006 and she died on 22.12.2007, after payment of 2 annual premiums on the policy.

When nominee claimed for the monies, the Insurer Bajaj Allianz Insc.Co. rejected the claim on the plea that the deceased was suffering from Diabetes Mellitus for 18 years and hypertension since 15 years which facts, were not disclosed in the proposal form dt.22.2.2006 and she died of Diabetic Nephropathy.

The complainant contended that the life assured was thoroughly and minutely examined by the Doctor of the Insurer4 and basing on the reports of the said doctor only, the policy was issued by the Insurer. She had never suppressed any information in regard to her state of personal health at any point of time and further disclosed the entire information in regard to her past and present health status to the insurer and its agent and the Medical Officer.

Both the parties were heard on 30.10.2008 and all the documents submitted were perused.

The Life Assured Smt.Nagothi Ramanamma, aged 49 years submitted a proposal dt.22.2.2006 for a SA of Rs.52,50,000 under the Unit Gain Regular plan, which was recommended by the Insurance Consultant Mr.Jilani Sheik, who knew her for last 10 yrs. 2 months and by another official of the insurer Mr.MS Chakravarthy. There were a good number of corrections in the proposal especially on the amount of the Sum Assured which was originally mentioned as Rs.15,00,000 and later struck off and was corrected as Rs.52,00,000 and attested by the consultant and his field officer Mr.M.S.Chakravarthy, code 9659.

She was directed to undergo a thorough Medical Examination on 1.3.2006 by Dr.Y. Umamaheshwara Rao, the Panel Medical Examiner for Allianz Bajaj Life Insc.Co.Ltd. Besides, she had been subjected to various other Special reports like Blood test, FBS, HBA1c, Lipid Profile, Liver Test, HIV test, Routine Urine analysis, X Ray of Chest and also a Computerised Treadmill Test at Sumanth Nursing Home, Vijayawada who was the panel diagnostic centre of the Insurer, on 1.3.2006. The income mentioned in the proposal was from business, and the income stated was Rs.5,00,000. She was issued the Policy bearing No: 0016453164 with date of commencement 28.6.2006 for Rs.17,50,000 by Bajaj Allianz Life Insc.Co.Ltd. and the policy document was dispatched to her vide letter dt.26.9.2006.

On the date of hearing, the representative of the Insurer presented before the Ombudsman, the original papers of the entire file, from which following aspects were observed::

1 The Insurer obtained a proposal dt.22.2.2006 for Rs.52,50,000 The Moral Hazard report dt.9.6.2006 given by their official does not recommend for the sum assured and at the same time, the amount for which he recommends also was not stated in the report. The MHR does not reveal any adverse factor about the health of the insured and it also mentions that the status of health was good.

2 The Income Tax returns for the previous 3 years show an average income of not more than Rs.40,000 p.a. to which the underwriter added some other income and arrived at Rs.17,50,000 sum assured.

3 The insurer counter-offered for Rs.17,50,000 to her and obtained a consent for the same.

4 No fresh Moral Hazard report by any official was obtained for the proposed SA of Rs.17,50,000 by the Insurer.

5 The Consultant who knew the Insured for more than 10 years, did not mention any adverse factor about the health of the insured.

On the death of the insured on 22.12.2007, the insurer got it investigated and basing upon a case sheet, of Arun Kidney Centre, Vijayawada dt.5.12.07 which states that the patient received by

them from Pinnamaneni care Hospital for dialysis on 5.12.07 at 11.15 p.m., was a known case of Diabetes Mellitus for 18 yrs; Hypertension for 15 years, the claim was repudiated.

The Insurer based mainly on the Case sheet of the last treated Hospital "Arun Kidney Centre" in which a mention was made about the past history of Diabetes Mellitus & Hypertension prior to the date of proposal, for repudiation of the claim, but could not produce any conclusive proof of the illness/treatment prior to the date of the proposal, for the same.

Further, the sale clearly appears to be mis-selling/over-selling of the product. In the hearing, when enquired whether any action was initiated against the consultant and others, it was informed by the representative that the consultant and the field official were terminated from service.

A letter dt.3.11.2008 has been sent to Bajaj Allianz Life Insc.Co., Pune by fax and also by post, to confirm whether any fund value is offered to the claimant and also to confirm the action taken against the insurance consultant and others, to which no reply is received by our office from the insurer.

It is therefore, deemed that the product was mis-sold to her and the processing of the papers was not properly done by the Insurer. Further, it is surprising to note that the Medical Examination and various other Special reports like TMT and all Blood reports, conducted by their panel medical examiner and diagnostic centre, did not reveal any adverse feature in the status of health of the insured. The insurer also could not produce any conclusive proof of illness/treatment obtained by the deceased prior to the date of commencement, except basing on the history mentioned in the case sheet dt.5.12.07 of the last treated hospital.

In view of the irregularities, it is fair and proper to direct the Insurer M/s.Bajaj Allianz Life Insc.Co.Ltd. to pay the Fund Value lying in her account, after meeting the expenditure, as on the date of death of the insured, as Ex-gratia.

The claim is **partly allowed**.

Hyderabad Ombudsman Centre

Case No: L-21-004-0248-2008-09

Shri S.Zainulabideen

Vs.

ICICI Prudential Life Insc.Co.Ltd., Mumbai

Award Dated:: 01.12.2008 **Award No: I.O.(HYD) L-0034-2008-09**

The complaint is about the repudiation of claim on Policy No:01190016 & 02421707 by ICICI Prudential Life Insc.Co.Ltd., Mumbai

Late Smt. Banu Zainulabideen took two insurance policies for Rs.1,00,000 and Rs.1,50,000 under Cash Plus Policy for a term of 10 yrs and 15 yrs by submitting two proposals dt.29.11.04 and 11.2.06 and obtained the policies bearing No:01190016 and 02421707 respectively. The policies commenced from 30.11.2004 and 13.2.2006 and she died on 6.11.2006 due to Brancho-penumonia with SIRS.

When nominee claimed for the monies, the Insurer ICICI Prudential Life Insc.Co. rejected the claims on the plea that the deceased was a patient of Hyperthyroidism and was treated prior to the date of the proposal, which fact was not disclosed in her proposal forms submitted to them.

The complainant contended that the life assured took two policies and was paying the premium regularly. Due to unexpected health problem, she was admitted to the hospitals for treatment and during the course of treatment she died on 6.11.2006. Before issuing the policies, the officials personally inspected her and also medically checked her thoroughly and the medical officer was satisfied regarding the health condition of her and only on satisfaction of Medical officer regarding the health condition, she was issued the policies.

Both the parties were heard on 28.11.2008 and all the documents submitted were perused.

The life assured was admitted on 31.10.2006 in Garden City Health Care Academy Hospital, Medical Aid and Research Centre (P) Ltd., Bangalore, as per their Death Summary dt.6.11.06 and she died on 6.11.2006 due to bronchopneumonia complicated with SIRS (Systemic Inflamatory response syndrome)(Septicaemia).

It is observed from the documents produced, that prior to the date of proposals i.e. 29.11.2004/11.2.2006, the life assured was admitted in Geetha Nursing Home, Vellore on 2.5.2004 for Hyperthyroidism, Anaemia and got discharged on 5.6.2004. She had undergone Thyroid Scan at Madras Medical Mission, as per their letter dt.6.7.2004. Again she consulted Deepti Nursing Home, Bangalore and undergone the Thyroid tests on 7.4.05 at Wellspring pathlab diagnostics.

She consulted again Deepti Nursing Home on 31.10.2006 who referred her to CMO, St.John's Hospital, certifying that Smt.Banu is a known case of Thyrotoxicosis and on treatment since 3 1/2 years.

But to the relevant questions in both the Proposals dt.29.11.2004/11.2.2006 on the personal history, i.e. Q.No. 29(b),(c),(e-vii) the deceased Life assured answered, negatively. The said questions 29(b), (c), (e-vii) of both the proposals and the answers given by the life assured are as below::

Q 29(b) :: Have you ever been hospitalized for general check-up observation, treatment or surgery? ---- No

Q 29(c) :: Did you have any ailment/injury requiring treatment for more than a week? ----- No

Q 29(e-vii) :: Have you ever suffered or are suffering any of the following:

Disorders of Eye, Ear, Nose, Throat ---- No

It is well established from the summary of Geetha Nursing Home, Vellore and Deepti Nursing Home, Bangalore that the life assured had been suffering from Hyperthyoridism, and taking treatment prior to the date of both the proposals, which fact, was suppressed by answering to the above questions in the proposals negatively, basing upon which, the policies were issued by the Insurer.

It is held that the insurer was justified in repudiating the claims on policies 01190016 and 02421707 vide their letters dt.31.1.07 and 16.3.07, as communicated to the complainant.

The complaint is therefore, **dismissed**.

Hyderabad Ombudsman Centre

Case No: L-21-001-0275-2008-09

Smt.H.L.Sukanya

Vs.

LIC Of India, Divnl.Office II, Bangalore

Award Dated:: 01.12.2008 **Award No: I.O.(HYD) L-0035-2008-09**

The complaint is about the repudiation of claim on Policy No:363276052 by LIC Of India,

Divisional Office II, Bangalore.

Late Shri Chikkeraiah, aged 58 yrs., took a life insurance policy for Rs.8,00,000 under Jeevan Anand for a term of 12 yrs, by submitting a proposal dt.23.11.2004. The Life assured was subjected to Medical Examination and also to other various pathological, radiological reports and finally, the Insurer accepted the proposal with an Health Extra Premium @13% and also reduced the term to 12 yrs. instead of 15 yrs and issued the policy bearing No:363276052. The policy commenced from 28.11.2004 under Yly.mode with annual premium of Rs.1,09,669=00 and the life assured died on 6.11.2006 due to Hypertensive intracerebral bleed.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the deceased was suffering from Coronary Artery Disease, effort Angina, Diabetes Mellitus, Systemic Hypertension, which facts were not disclosed in his proposal.

The complainant contended that the life assured was asked to undergo several medical tests conducted by the authorized doctor and subsequently a health extra was added to the premium by the Insurer. Sufficient care in considering his health condition while accepting was taken by LIC before issuing the policy but the Insurer rejected the claim on the policy.

Both the parties were heard on 28.11.2008 and all the documents submitted were perused.

Late Shri Chikeeraiah, aged 58 years took a life insurance policy bearing No;363276052 from LIC Of India, by submitting a proposal dt.23.11.2004, for Rs.8,00,000 under Jeevan Anand (With profits) Policy for a term of 12 years. The life assured had undergone various special medical reports such as ECG, blood reports and x-ray of chest by their panel diagnostic centre. After consideration of the statements in the proposal and all the special reports, LIC Of India accepted the risk on the life with an Health Extra premium of Rs.13%, and restricted the term to 12 years.

The life assured died on 6.11.2006 at Narayana Hrudayalaya, Bangalore due to Hypertensive Intracerebral bleed, after taking treatment from 16.10.2006 to 6.11.2006 from them.

On perusal of the documents produced by the Insurer, it is observed that the life assured got admitted in "Narayana Hrudayalaya Institute of Cardiac Sciences, , Bangalore" on 27.10.2004 and undergone blood tests, Kidney Function Test HIV Test, Colour Doppler Echo Cardiography, and also Coronary Angiogram on 27.10.2004 and he was discharged from the hospital on 28.10.2004. As per the discharge summary of the hospital dt.28.10.2004, the diagnosis made was CAD-Effort angina, S/P PTCA with stent at MHF, Fair LV systolic function, Diabetes Mellitus, Systemic Hypertension. Further, it certifies that he is a known diabetic, hypertensive with c/o exertional angina.

But in the proposal for assurance and personal statement dt.23.11.2004 submitted to LIC of India, for acceptance of the risk, the relevant questions 11 (a)(b)(d)(e)(i)(j), the life assured gave false answers. The said questions 11 (a), (b), (d), (e), (i), (j) and the answers given by the life assured are as below::

Q 11 (a) :: During the last five years, did you consult a Medical Practitioner for any ailment requiring treatment for more than a week? ---No

Q 11 (b) :: Have you ever been admitted to any hospital or nursing home for general check-up, observation, treatment or operation? ---No

Q 11 (d) :: Are you suffering from or have you ever suffered from ailments pertaining to Liver, Stomach, Heart, Lungs, Kidney, Brain or Nervous system? --- No

Q 11 (e) :: Are you suffering from or have you ever suffered from Diabetes, Tuberculosis, High Blood Pressure, Low Blood Pressure, Cancer, Epilepsy, Hernia, Hydrocele, Leprosy or any other disease? --- No

Q 11 (i) :: What has been your usual state of health? --- Good

Q 11 (j) :: Have you ever received or at present availing/undergoing Medical advice, Treatment or test in connection with Hepatitis B or AIDS related condition? -- No

The life assured gave false answers to all the above questions in the proposal, and suppressed the vital, material facts which would help the insurer, in proper assessment of risk on the life. No Insurer can gauge the risk properly unless the proposer discloses all facts fully and correctly.

Here in the case, had the life assured stated the facts of history of diabetes, angina, and about the angiogram he had undergone on 27.10.04, LIC Of India, would have been in a position to decide whether to accept the risk on the life, or not and if to accept, on what terms. Basing upon the special reports, though the Health extra premium of Rs.13% is imposed on the policy, , it is clear that LIC of India was misled by the life assured due to the answers given to Q 11, as mentioned above, in assessing the risk.

From the Proposal papers, it is observed that the income of the life assured was stated to be Rs. 2,50,000-00 which is also certified by the ZM Club Member agent, out of which the Yly. premium on the policy payable is Rs.1,09,669-00 which works out to 43% of the income. Surely, the underwriter need to rule out moral hazard.

Further, in the case, the ZM club member agent states that he knows the proposer very recently. So, no thorough enquiries about the health & habits of the proposer could be possible by him alone.

Here in the said case, there is less than a month gap between the date of angiogram and the date of the proposal submitted and surprisingly, the agent could not get any information adverse out of his enquiries. In all such cases, a suggestion is made to LIC Of India, to take steps to obtain the Moral Hazard report from another responsible official, irrespective of the standing of the Agent, to assess the risk correctly, in order to avoid unpleasant decisions subsequently to the claimants, after issue of the policies.

In the above case, as the life assured had misled the Insurer - LIC Of India, in assessing the risk on his life correctly, the decision in repudiating the claim on the policy, as communicated to the complainant by their letters dt.28.2.2007 and 3.8.2007 was upheld by the Ombudsman.

The complaint is, **dismissed**.

Hyderabad Ombudsman Centre

Case No: L-21-001-0300-2008-09

Shri.N.Nagesh

Vs.

LIC Of India, Divisional Office II, Bangalore

Award Dated:: 05.12.2008 **Award No: I.O.(HYD) L-0036-2008-09**

The complaint is about the repudiation of claim on Policy No:363674672 by LIC Of India, Divisional Office II, Bangalore.

Late Shri B.Narayana Swamy, 49 yrs., took an insurance policy for Rs.1,00,000 by submitting a proposal dt.31.1.2007 under Non-Medical basis to LIC Of India. The policy commenced from 28.1.2007 and the life assured died on 3.11.2007 due to heart attack.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the deceased had taken treatment and was diagnosed as having acute Myocardial Infarction and he was suggested angiogram prior to the date of commencement.

The complainant contended that the life assured was healthy at the time of taking the policy and suddenly he died due to heart attack.

Both the parties were heard on 28.11.2008 and all the documents submitted were perused.

It is observed from the documents produced, that prior to the date of proposal i.e. 31.1.2007, the life assured was admitted in Bangalore Baptist Hospital, as per the discharge summary of the hospital, as under :-

From 31.3.1998 to 3.4.1998 --- for Pain in abdomen for 15 days, colicky to burning – Hospital No:344448

From 1.6.1999 to 9.6.1999 --- for Chest Pain associated with sweating. The diagnosis was Acute Myocardial infraction. In the summary sheet it was mentioned that he is a chronic smoker and he was advised to stop smoking and low fat cholesterol diet.

From 7.2.2002 to 13.2.2002 --- for Chest Pain for 3 days – radiating to left shoulder + arm. ECG was taken and diagnosed as Unstable Angina and he was referred to Jayadeva for Angiography

But suppressing all the above material facts, which would help the insurer in his risk assessment, the life assured obtained the policy and died very early, within a period of 9 months.

The decision of repudiating the claim on the policy, by LIC Of India, as communicated to the complainant by their letters 31.3.2008 and 21.7.2008, was upheld by the Ombudsman.

The complaint is, **dismissed**.

Hyderabad Ombudsman Centre

Case No: L-21-001-0337-2008-09

Shri V.N.Prajwal

Vs.

LIC Of India, Divisional Office II, Bangalore

Award Dated:: 05.12.2008 **Award No: I.O.(HYD) L-0037-2008-09**

The complaint is about the repudiation of claim on Policy No:363897571 by LIC Of India,

Divisional Office II, Bangalore.

Late Shri V.N.Prajwal, aged 22 yrs, submitted a proposal dt.20.2.2008 under LIC's Health Plus policy for a coverage of Major Surgical Benefit of Rs.2,00,000 Sum assured and Initial Daily Hospital Cash Benefit of Rs.1,000 by paying an amount of Rs.3,000 under Hly.mode. The policy commenced from 21.2.2008 and the coverage is for a period of 43 years. The life assured had met with an accident on 22.2.2008 and he was admitted in Hosmat Hospital on 16.3.2008 where he had undergone "Anterior Cruciate Ligament Tear" Surgery, for which the hospital charged him Rs.52,860=00 and he was discharged on 18.3.2008.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the surgery undergone does not fall in the list of specified surgeries as mentioned in their policy document.

The complainant contended that there was a lot of delay in processing the claim. He submitted the claim papers on 11.4.2008 and they rejected the claim on 4.9.2008. TPA had processed the claim and rejected the claim on 11.7.2008 and subsequently LIC upheld the decision. He expects the claim to be processed by LIC and he has no need to deal with the TPA. LIC had adopted illogical and strange ways of processing of claims. The policy document dt.4.5.2008 was delivered to him on 24.5.2008 and the accident occurred i.e. on 22.2.2008 much before the date of the policy and by then, the claim papers were also submitted to LIC i.e. on 11.4.08 for settlement. The final rejection was done by LIC by their letter dt.4.9.2008 with abnormal delay of 5 months time, for processing.

The complainant stated that LIC has defined the causative factors such as accident, bodily injury and sickness, which are fully satisfied in his case, they have no right to restrict or exclude the remedy i.e. surgical benefit. It is the professional responsibility to provide fully for remedy. He further stated that non-inclusion of ACL surgery in the list of major surgical benefit (1-49) is the fault of the Insurer and for the mistake/negligence, and lack of professional competence the insurer is responsible and therefore, should reimburse the claim amount fully and also pay interest equal to the claim amount.

Both the parties were heard on 28.11.2008 and all the documents submitted were perused.

The life assured met with an accident on 22.2.2008. He was admitted in Hosmat Hospital, Bangalore on 16.3.2008 at 4 PM and undergone a surgery "Arthroscopic Anterior Cruciate Ligament" (ACL Reconstruction) on 17.3.2008 and was discharged on 18.3.2008 at 4 PM. He submitted the Claim forms dt.5.4.2008 to LIC Of India on 11.4.2008 claiming an amount of Rs.52,860=00 as reimbursement. The Third Party Administrator (TPA) Family Health Plan Ltd. called for some requirements from the life assured, by their letter dt.20.6.2008 to which he complied with, vide his letter dt.30.6.2008.

The TPA rejected the claim by a letter dt.11.7.2008 stating that the surgery does not fall under the purview of the policy conditions. The reason for rejection, as stated in their letter dt.11.7.2008 was "the present hospitalization surgery not listed in the allowed list of surgeries (1-49)". In case he was not satisfied with their decision, he might appeal for a re-look to the Manager (Health Insurance), LIC Of India, Bangalore.

The life assured then submitted a complaint to the TPA, by his letter dt.23.7.2008 for which, LIC Of India confirmed by upholding the decision of the TPA, by letter dt.4.9.2008.

It is very clear that from the documents produced, there was inordinate delay in issuing the policy document and also in processing the claim papers by LIC of India, as detailed below. This is a clear violation of the I.R.D.A.(Protection of Policy Holders' Interests) Regulations, 2002.

a) The policy has commenced from 21.2.2008 but the policy document dt.4.5.2008 was received by the party on 24.5.2008, with a delay of more than 3 months. By then, he submitted his claim papers also on 11.4.2008 for settlement.

b) The claim papers received by LIC on 11.4.2008 were referred to TPA on 13.6.2008 as acknowledged by them in their letter dt.11.7.2008, with a delay of more than 2 months.

c) The claim rejection letter was sent by TPA by their letter dt.11.7.2008

d) The final rejection of claim letter was sent by LIC on 4.9.2008

Coming to the point of rejection of claim , the policy document dt.4.5.2008 clearly states the list of specified surgeries and the percentage of Sum assured of Major Surgical Benefit payable for each type of surgery.

The complainant therefore, should note that the benefit under the policy, does not provide for reimbursement of actual amount of expenses incurred but a percentage of Sum assured of MSB and that too, if the surgery undergone finds a place in the list of the specified surgeries.

It is observed from the list of the specified surgeries mentioned in the policy document, that the surgery undergone "'Arthroscopic Anterior Cruciate Ligament" (ACL Reconstruction) by the life assured, does not find a place.

Further the conditions and privileges of the policy document, sl.no.22 (vii) on Claim payments, clearly mentions about the use of the services of one or more licensed Third Party Administrator (TPA) by LIC and the insured also agrees to provide all necessary and accurate information to

such TPA and follow the processes and instructions as stipulated by such TPA, for smooth administration of the policy.

The complainant therefore, cannot raise any objection to the settlement of claims by TPA.

In this case, a peculiar situation is observed. By the time the policy document is received by the life assured, he had submitted his claim forms for settlement and was awaiting the payment. The life assured had no opportunity to read and understand the features, benefits and also the terms and conditions of the policy and avail the free look period of 15 days, which is available to all the policyholders. Hence, the contention of the Insurers' representative that the insured could have returned the policy within 15 days from the date of receipt of the policy cannot be accepted. Though the rejection of claim by the Insurer has to be uphold with reference to the terms and conditions of the policy, It is felt just and proper to allow an opportunity to the insured to return the policy if he is not willing to continue the same as per the terms and conditions. He is allowed to take an informed decision after understanding all the features, benefits, inclusions etc., If the complainant exercises the option to return the policy, the insurer is directed to refund the amount as per condition No. 26 'Cooling-off period" of the policy. The insurer is also advised to strictly adhere to the regulations issued by IRDA with regard to issue of policy and settlement of claims in future.

The complaint is **partly allowed**.

Hyderabad Ombudsman Centre

Case No: L-21-016-0367-2008-09

Smt.T.Saradamma

Vs.

Shriram Life Insc.Co.Ltd., Hyderabad

Award Dated:: 29.12.2008 **Award No: I.O.(HYD) L-0038-2008-09**

The complaint is about the repudiation of claim on Policy No:LN 070700082476 by Shriram Life Insc.Co.Ltd.

Late Shri T.Mohana Rao, took a policy Shri Plus for a sum assured of Rs.75,000 for 15 years,

which commenced from 2.5.2007, by submitting a proposal dt.31.3.2007 under Non Medical basis. The life assured died on 9.1.2008.

When nominee claimed for the monies, the Insurer Shriram Life Insc.Co.Ltd. rejected the claim on the plea that the life assured had not correctly furnished all material information regarding the health, habits, family history, personal medical history, income etc. in the proposal dt.2.5.2007.

The complainant contended that the life assured died on 9.1.2008 and when intimated to the insurer, they denied the claim stating that he had pre-existing health problems at the time of applying for insurance.

The Insurer was heard on 16.12.2008 and all the documents submitted were perused.

The Complainant did not appear the hearing and telephonically informed that she is withdrawing the complaint, and sending the letter.

It is observed from the documents produced, that the life assured was admitted on 27.8.07 and discharged on 4.9.2007 in Bolliineni Ramanaiah Memorial Hospitals Pvt.Ltd. Durgamitta, Nellore. In the discharge summary, it is mentioned that he is a known diabetic since 20 yrs on OHA; known Hypertensive since 3 yrs; Known case of CAD-TYD Ischaemic cardiomyopathy, Trivial MR.EF 40%.

The insurer, basing on the discharge summary, repudiated the claim on the policy stating that the life assured did not disclose all the above material facts in the proposal and misrepresented deliberately and answered to the questions of Personal Medical history (Q.No.25) and mislead the insurer and obtained the policy.

Since the Complainant wanted to withdraw the complaint against the Insurer and also sent a letter dt.10.12.2008, which is received by us on 22.12.2008, the complaint is dismissed as withdrawn.

Hyderabad Ombudsman Centre

Case No: L-21-002-0276-2008-09

Smt.S.Kalavathi

Vs.

SBI Life Insurance Co.Ltd., Mumbai

Award Dated:: 29.12.2008 **Award No: I.O.(HYD) L-0039-2008-09**

The complaint is about the repudiation of claim on Policy No:363674672 on the life of Shri Sanasi Raju, aged 44 yrs.

Late Shri Sanasi Raju, took a policy "Horizon II Pension" for Rs.60,000 from SBI Life Insc.Co.Ltd. which commenced from 31.3.2007. He died on 17.4.2007 within 20 days due to heart attack.

When nominee claimed for the monies, the Insurer SBI Life Insc.Co.Ltd. rejected the claim on the plea that the life assured was suffering from Chest Pain for over 15 days, which was not disclosed in the proposal dt.23.3.2007.

The complainant contended that the life assured was healthy at the time of taking the policy and never took any treatment. The insurance co. fabricated some false medical reports and rejected the claim. When the life assure3 died at house, they fabricated some medical proofs that he died in hospital. The Company took her signature on papers assuring that she would get the monies on the policy and finally they rejected the claim.

Both the parties were heard on 16.12.2008 and all the documents submitted were perused.

The SBI Life Insc.Co.Ltd. caused an investigation into the matter and as per the investigation report dt.19.11.2007 conducted by Phantom Detective Agency, they could not obtain any certificates from Dr.Sanjeeva Rao, and Dr.Mallikarjunarao, whom they met and enquired about the deceased. They opined from the enquiries, that the life assured was a case of alcoholic and hypertensive.

But from the documents produced by the Insurer, a prescription dt.2.4.2007 by Dr.D.Srinivasa Rao, Eluru and a certificate dt.2.4.2007 addressed to their Manager, Claims dept. by the Doctor states that Mr.V.Sansi Raju S/o V.Veera Raju approached the doctor on 2.4.2007 with a complaint of Chest pain since 15 days, and he had the past history of Hypertension since 2 yrs, Diabetes Mellitus since 1 year. Further, the certificate states that clinical evaluation of suspected Ischaemic Heart disease and symptoms of severe acute myocardial Infarction last 6 months back.

These two documents issued by Dr.D.Srinivasa Rao bear the rubber stamp of Phantom Detective Agency, but nowhere in their investigation report, they mentioned that they met the doctor and obtained the same.

When the representative of the Insurance Co. is questioned as to how the certificate dt.2.4.2007 addressed to Manager (Claims) of the Insc.Co, was obtained when the life assured was then alive & about the difference in name as "V.Sanasi Raju s/o V.Veerraju", he could not give proper reply. The Insurance Company is therefore asked by our letter dt.16.12.2008, to clarify about the variation in name and also the need to obtain these certificates on 2.4.07 and why the detective agency did not mention in their report. All the claim papers submitted by the complainant were also called for, for verification.

SBI Life Insc. Co.Ltd. submitted the claim forms obtained from the complainant and clarified that the certificates issued by Dr.D.Srinivasa Rao should have been dated 2.4.2008 and the Doctor had erroneously mentioned the date of death of the LA as the date of the letter. They further clarified that the Doctor might have recorded the name of the life assured, as pronounced before him by the patient or by his relatives. The Insurer states that all the details and certificates issued by Dr.D.Srinivasa rao were obtained through the detective agency only and these certificates were submitted separately. The insurer further stated that the Investigating Agency and Dr.Srinivasa Rao refused to give any further details and clarifications, due to threat.

From a review of the documents of Claimant's statement, and also the Medical Attendant's certificate obtained by the Insurer, the following irregularities are observed::

1 The claimant statement form is not properly filled in.
In the Claimant's statement -- Part One, the deceased name is blank (unanswered) and

in the Part Three, the Claimant name is stated as Mr.Sanasi Raju, who is the deceased.

The claimant form is signed by the Claimant before the Br.Sales Manager, Vijayawada branch of SBI Life.

2 In the Medical attendant's certificate filled by Dr.Sanjeevi Jasti, MBBS dt.17.6.2007::-

The time of death is mentioned as 14.30 hrs (Tuesday) on 17.4.07 and

The symptoms of illness :- lasted for ten minutes

What were the other diseases that co-existed or preceded with that which was

the immediate cause of his/her death ? :: No associated or coexisted diseases.

Dr.Sanjeevi Jasti, Sanjeevi Clinic gave a death certificate that Sri Sansi Raju S/o

Veeraraju died of heart attack on 17.4.2007 at home and the same was

registered in Eluru Municipal corpn.

3 The casual/Family Doctor Certificate dt.30.11.07 obtained from Dr.D.Srinivasa Rao states that the time of death is at 5.00 PM on 17.4.07.

This certificate is stated to have obtained from the Detective Agency, which does not possess the name of the diseased. On our pointing out the same, another xerox copy with name filled as V.Sanasi Raju, Eluru in with the mobile no.9885049629 of the Doctor beneath his signature was submitted to us.

But the insurer could not obtain any clarification as to the difference in name and the date of the documents by the Doctor.

From the above, it is very clear that the investigation conducted by the Agency is not properly done and the Insurer also did not process the claim forms properly. The SBI Life Insurance Co.Ltd. could not establish that the Claim formats submitted along with the Medical Attendant's certificate of Dr.Sanjeevi Basti, MBBS are false. Their Investigation agency in their report mentioned that they met Dr.Sanjeevi who refused to give any certificate without the prescriptions given by him. And also, they did not mention any reference of Dr.D.Srinivasa Rao, in their report.

In the absence of any clarification from Dr.D.Srinivasa Rao for the difference in name and the date of the certificates issued by him , I assume that the certificates issued by Dr.Srinivasa Rao do not pertain to the deceased life assured.

In view of all the irregularities committed by the Insurer, the SBI Life Insurance Co.Ltd. is directed to pay the full Sum Assured on the policy to the complainant, who is appointee on the policy.

The claim is allowed.

Hyderabad Ombudsman Centre

Case No: L-21-002-0276-2008-09

Shri Omprakash Rathi

Vs.

HDFC Standard Life Insc.Co.Ltd., Mumbai

Award Dated:: 12.1.2009 **Award No: I.O.(HYD) L-0040-2008-09**

The complaint is about the repudiation of claim on Policy No:10571169 on the life of Shri Rahul Kumar Rathi.

Late Shri Rahul Kumar Rathi, aged 30 yrs, submitted a proposal dt.25.3.06 and obtained a policy from HDFC United Linked Young Star for Rs.2,50,000 as death benefit, with an annual premium of Rs.50,000. The Policy commenced from 30.3.2006 and the life assured died on 3.2.2007, within 11 months from the date of commencement.

When nominee claimed for the monies, the Insurer HDFC Standard Life Insc.Co.Ltd. rejected the claim on the plea that the life assured had not correctly furnished all material information regarding the personal and family history of the life assured in section D of the proposal dt.25.3.2006.

The complainant contended that the life assured was hale and healthy and the insurer after satisfying with the health condition issued the policy. The life assured died in accident on 3.2.2007 and the police have closed the matter as accidental death. In the final report, the police gave finding that the deceased was suffering from depression since 2 months only. The Insurer repudiated the claim due to non disclosure of the vital information. Depression is not a disease or disability and hence, the claim moneys be paid.

Both the parties were heard on 9.1.2009 and all the documents submitted were perused.

It is observed from the copy of the FIR , that the wife of the life assured Mrs. Vinita Rathi gave the information to the Police that while her husband was brushing his teeth in the balcony at 8.45 AM ; suddenly they heard a big sound and they found that the life assured fell down in the parking area on the basement of the apartments. She also stated that since last 2 years he was under treatment for depression.

The father of the life assured i.e. the complainant also gave a statement to the Police that the life assured was suffering with depression for about two years and often, he used to fall down due to reeling sensation. He further stated that due to vertigo the life assured slipped and might have fallen down.

Distant Relation Cousin Shri Sunil Kumar Rathi, who was residing in block 103 of the Anand Enclave, gave a statement to the Police that the life assured suffered with depression for a long time and often, due to reeling sensation, he used to fall on steps. Another neighbour Shri Dinesh Kumar Jawahar gave a statement to the Police that his nephew i.e. the life assured was suffering with mental stress from approximately two years and recently, he used to fall down due to vertigo.

The final case diary dt.31.5.07 states that while the life assured was brushing his teeth at the balcony, he accidentally might have fallen down and since two years he was also suffering with mental depression.

In another para of the final case diary, it was stated that according to the circumstantial evidences, the deceased was suffering with mental depression since two months, and the death of the deceased was accidental one, and so, further action was dropped.

The Family Doctor Certificate dt.20.7.2007 given by Dr.P.V.Sivaram, MD states that the life assured was known to him since August 2000 and the life assured suffered minor depression in September-October 2005 and he treated him for 30 days. Thereafter, he was in regular follow up with the doctor but he never showed similar signs. The life assured last visited his clinic in 1st Feb.2007 for viral fever and was treated for 1 day. The zerox copies of the prescriptions dt.5.9.2005 and 20.9.2005 given by Dr.PV Sivaram, were also perused.

It is also observed from the answers of Section D (Personal and Family History of Life to be assured) of the Proposal dt.25.3.2006, that the history of depression and the treatment taken was not disclosed by the life assured.

As the Contract of Insurance is a Contract of Utmost Good Faith (uberrimafides), both the parties are bound to disclose the facts in full.

The material fact of the illness of depression suffered and treatment taken prior to the date of the proposal, which he knew, was not disclosed in the proposal and the policy was obtained by the deceased. The action of repudiation of claim by the Insurer, is on sound lines and so, fully justified.

The repudiation action taken by the Insurer is upheld and the claim is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0413-2008-09

Smt.Sharfunnisa

Vs.

LIC Of India, Divisional Office, Raichur

Award Dated:: 6.2.2009 **Award No: I.O.(HYD) L-0042-2008-09**

The complaint is about the repudiation of claim on Policy No: 664019992 on the life of

Late Shri Abdul Hameed Sab, who took the policy for an insurance of Rs.1,00,000 which commenced from 22.3.2007, by submitting a proposal dt.22.3.2007. He died on 13.11.2007 due to heart attack.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the life assured did not disclose a previous policy bearing no:663825578 taken in August 2006 for 1 lakh in his proposal dt.22.3.07.

The complainant contended that the life assured took 3 policies viz. 660914511; 663825578 and 664019992 and the policy 660914511 lapsed due to non-payment of premiums. The life assured does not know English language and he learnt Kannada to sign the proposal. He was not aware to mention the previous policies in the proposal form. He has not made any intentional misrepresentation.

Both the parties were heard on 6.2.2009 and all the documents submitted were perused.

The Insurer repudiated the claim on the policy, by his letter ref:Mktg/Claims/66H/79/1194/07-08 dt.10.5.2008 and stated the following reasons::

1 In the first para of the letter, they stated that they had decided to repudiate all liability under the policy 664019992 on account of the deceased having withheld material information regarding his health at the time of effecting the assurance with them.

2 In the second para, they stated that Q.No.10 of the proposal dt. 22.03.2007 signed by the deceased
assured was answered negatively.

3 In the third para, they stated that the answer to the Q.No.10 was false. While submitting the proposal he had not mentioned the previous policy particulars. Had he disclosed, they would have called for special reports like ECG/FBS. He did not disclose the facts and also gave false answers in the proposal.

4 In the fourth para, they stated that the life assured had made wrong statements and withheld material information from them regarding his health at the time of effecting the assurance and hence in terms of the policy contract and the declaration contained in the forms of proposal for assurance and personal statement, they repudiated the claim and were not liable for any payment under the policy and all moneys that had been paid in consequence thereof belong to them.

Their Zonal Office Claims Review Committee, by their letter ref:CRM/ZCRC dt.1.10.2008 communicated to the Sr.Divisional Manager, Raichur stated that the committee had considered

the facts of the case as well as the evidence on record and decided to uphold the Divisional Office decision.

On perusal of the self contained note of the divisional office, and other documents, it is found that there is a previous policy bearing No: 664019992 which was taken by the life assured for Rs.1,00,000 under Table and term 14-16 yrs, by submitting a proposal dt.10.8.2006 issued by Harpanahalli branch under the Agency code:391-66h under the organization of the Dev. Officer Shri G.L.Venkappa who gave the MHR.

The policy bearing No: 664019992 which is repudiated by the Insurer, was also issued by the same Harpanahalli branch on submission of proposal dt.22.3.2007 under the Agency code:1037-66h under the organization of the Dev. Officer Shri G.L.Venkappa who gave the MHR on 22.03.2007.

It is observed that both the proposals were filled in by the agents concerned and party signed in vernacular language (Kannada) and in the second proposal the vernacular declaration that the replies were given after fully and properly understanding the questions is absent.

Further, both the proposals were under the organization of one Dev. Officer Shri G.L.Venkappa who gave MHR in both. It is surprising to note how the previous policy particulars could not be traced by the branch when both the proposals pertain to the same branch and were within the same financial year ; and that too the Dev. Officer who gave MHR on enquiries done each time with the life assured, did not point out in his report.

It is also surprising to note that the divisional office in their repudiation letter made remarks on the health of the life assured whereas they have no proof of evidence on adversity of health. The investigation report given by their officer recommended for admitting the claim and they had admitted the claim on the policy 663825578 for Rs.1,00,000 and settled the claim. The ZO, CRC also did not differ with the comment on health aspect of the deceased life assured, and simply upheld the decision.

No doubt, had he disclosed the previous policy particulars, the insurer could have assessed the risk properly, by calling for special reports like ECG/FBS for consideration. I also observe that the lapsed policy No.660914511 was also not disclosed in the proposal dt.10.8.2006.

It is observed that the life assured is not an English literate and the forms are in English and not in local language i.e. Kannada. Further the proposal forms were filled in by the agents and life assured signed in Kannada. In the second proposal dt. 22.03.2007 there is no vernacular declaration obtained by the insurer.

While technically the insurer is correct in taking a decision to repudiate basing upon the non-disclosure of previous policy, they cannot throw the entire blame on the party in the case, as

there occurred many discrepancies by the insurer, which were stated above. The deliberate intention on the life assured not to disclose the previous policy history, was not established.

I therefore, deem it fair to consider the case on humanitarian grounds, as nothing adverse was found about the health of the insured in their enquiries, and I direct the LIC Of India to pay an amount of Rs.50,000 as ex-gratia to the complainant.

The complaint is partly allowed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0348-2008-09

Smt.Lakshmi R.Bhat

Vs.

LIC Of India, Divisional Office, Udupi

Award Dated:: 26.2.2009 **Award No: I.O.(HYD) L-0043-2008-09**

The complaint is about the repudiation of claim on Policy No: 624138483 on the life of

Late Shri Y.Raghunath Bhat. He took the policy for Rs.1,00,000 by submitting a proposal dt.18.7.2005, and the policy commenced from 20.7.05 and he died on 13.8.07 due to decompensated cirrhosis of liver.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the life assured was suffering from Cirrhosis of Liver and took treatment, prior to the issue of the policy, which material fact was not disclosed in the proposal dt.18.7.2005.

The complainant contended that the life assured was in good health before taking the policy and he had no health problem.

Both the parties were heard on 6.2.2009 and all the documents submitted were perused.

From the documents produced before us, it is observed that:

1 The life assured consulted Kasturba Medical College Hospital, Mangalore on 10.10.2004 as outpatient and was diagnosed as Cirrhosis of Liver on 8.11.2004 and was admitted in KMC Hospital on 8.11.2004.

2 As per their admission record IP 33733, the diagnosis was "Cirrhosis of Liver (Heriditary) with oesophageal varices. Bonding was done.

3 He was again admitted in KMC Hospital, Mangalore on 11.8.2007 as per the admn.record, for Hepatic Encephalopathy with acute renal failure with coagulopathy due to decompensated cirrhosis of liver and portal hypertension, and he died in the hospital on 13.8.2007.

The representative Shri Y.Shankar Bhat, brother of the life assured, who attended the hearing stated that he was not aware of the treatment in KMC Hospital, Mangalore.

As it is clearly established from the documents that the life assured was treated for the cirrhosis of liver prior to the date of the proposal dt.18.07.05, and this material fact was not disclosed in the proposal for insurance, which he knew, and there is nexus to the cause of death. On the facts and circumstances, I hold that the LIC was justified in repudiating the claim.

The complaint is **dismissed**.

Hyderabad Ombudsman Centre

Case No: L-21-001-0357-2008-09

Smt.Gangamma

Vs.

LIC Of India, Divisional Office I, Bangalore

Award Dated:: 26.2.2009 **Award No: I.O.(HYD) L-0044-2008-09**

The complaint is about the repudiation of claim on Policy Nos: 614178428 & 614255942 on the life of Late Shri Shivanna. He took the policies for Rs.1,00,000 and Rs.3,00,000 respectively from Tumkur I branch and Vijayanagar branch of LIC Of India, by submitting proposals

dt.11.1.2002 and 29.1.2002. The policies commenced from 24.1.2002 and 28.3.2002 and died on 2.11.2002.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the life assured was on leave on medical grounds prior to the date of the proposals and further, he did not disclose the previous proposal/policy particulars and he deliberately took 2 policies in two different branches without disclosing the previous policies in his proposal.

The complainant contended that the life assured was in good health till June 2002 and they availed housing loan in Jan 2002 and so, he applied for leave on medical basis to look after the construction work of their new house of which the grihapravesam function was done on 15.5.2002. He was transferred from Tumkur to Tirumani, which is 160 kms away. With a view to get a transfer to Tumkur and also to look after the construction works at Tumkur, he applied for Medical Leave and he was never hospitaliszed before 13th August 2002. His first consultation at District Hospital, Tumkur was on 18.1.2002 for Indigestion and thereafter on 4.5.2002 who prescribed acidity medicines.

He was not well in July 2002 and a local doctor referred him to Kidwai Memorial Hospital, Bangalore where they came to know about his stomach cancer on 7.7.2002. He was admitted to Manipal Hospital, Bangalore on 13.8.2002 and he died on 2.11.2002 in the hospital. Both the policies were under medical basis and special reports were also taken at the time of policy issue. They were not aware of the cancer problem prior to the issue of policies. It was diagnosed only by Kidwai Memorial Hospital on 7.7.2002. Further, the agents have not properly guided him that the information of previous policy numbers is to be disclosed. He was saving money only through LIC investment, as he had confidence in LIC and in their house they have insurance policies not only on the deceased life assured but on all the members, including her and her sons. He had no intention to defraud LIC Of India.

Both the parties were heard on 6.2.2009 and all the documents submitted were perused.

Shri S.N.Shivanna, aged 52 yrs. submitted a proposal dt.11.1.2002 for an insurance of Rs.1,00,000 under Plan and Term 14-15 at Tumkur-1 branch under Medical Scheme and obtained a policy bearing No:614178428. In the said proposal, he mentioned a previous policy no; 610366679 for Rs.25,000.

Again, he proposed for insurance of Rs.3,00,000 by his proposal dt.29.1.2002 at Vijayanagar branch, Bangalore under Medical scheme and obtained a policy bearing No:614255942. He was subjected to special reports viz. ECG,Tele,BST,S.Cholestrol,SPQ 001 Part I and II, besides normal medical examination and the said proposal was accepted with Health Extra of Rs.6%o by their Zonal Office. Moral Hazard Report was also given by the Dev.Officer. The policy commenced from 28.3.2002. No previous policy history was mentioned in the proposal.

The Life assured died on 2.11.2002 in Manipal Hospital, Bangalore and the cause of death was Carcinoma Stomach with Metastasis.

The insurer, LIC of India caused investigation into the matter and obtained Claim Form E – Certificate by Employer from Police Supdt., Tumkur in which the leave particulars from 28.3.99 to 28.3.2002 were furnished. As per the claim form E, the life assured availed the leave on medical grounds from 17.12.2001 to 17.3.2002 and again from 18.3.2002 to 31.5.2002. The medical certificates for leave/extension of leave dt.17.3.2002 and 31.5.02 and the fitness certificate were all issued by Dr.S.C.Shankaralingaiah, KCG Hospital, Bangalore.

Further, the Insurer tried to obtain any treatment particulars either as in-patient or out-patient in KCG Hospital, Bangalore but could not. As per their office note dt.17.9.03, wherein it was clearly stated that the liaison personnel expressed their difficulty to search the OP records but reported that the name of the life assured was not appearing in the KCG Hospital records for the period Dec.01 to April 02.

So, they repudiated the claims on the policies on the plea that the life assured did not disclose all the previous policy particulars to Q.No.9 of the proposal and also for giving false answers to Q.No.11 a,b,c,d,e & i of the proposals dt.11.1.2002 and 29.1.2002.

But in the personal hearing held on 6.2.2009, the complainant deposed that the life assured applied for medical leave to look after their house construction work and also with an intention to get a transfer. She deposed that the life assured first consulted District Hospital at Tumkur on 18.1.2002 for indigestion who gave some tablets and again on 4.5.02 for the same and produced the consultation cum prescription slips. Later, he was diagnosed as suffering from Cancer of Liver by Kidwai Memorial Institute of Oncology, Bangalore where they consulted on 4.7.02. By that time, it was very much in advanced stage III and he was treated by Manipal Hospital, Bangalore from 1.10.2002 to 2.11.2002 and he died there, while on treatment. She stated that no one was knowing that it was such a serious disease, Cancer, till Kidwai Hospital diagnosed it on 4.7.02 and the life assured also was fully unaware of it. He was taking LIC policies on all the family members in the family and he had no intention to defraud the insurer. He was not properly guided by the agents to record the previous policy history in the proposal.

She pleaded that the repudiation of claims on the basis of medical certificates issued by Dr.Shankarlingaiah, showing nexus to the cause of death was unfortunate. The medical certificates were submitted by the life assured only for obtaining the leave to look after the construction work of their house and also with an intention to get a transfer back to Tumkur, and not with any other intention. Their house construction work was completed and the opening ceremony function was also celebrated on 15.5.2002.

After considering all the documents and hearing both the parties, it is observed that the first proposal dt.11.1.2002 was submitted to LIC and a policy for Rs.1,00,000 was obtained by the life assured. Though the life assured availed leave on medical grounds by producing medical certificates issued by Dr.Shankarlingaiah, from 17.12.2001 to 31.5.2002 the insurer could not obtain any treatment details by Dr.Shankarlingaiah as mentioned in his recommendations for sanction of leave or from any other doctor to confirm that the life assured was treated for the gastric ulcer. As on 11.1.2002, the life assured had not consulted any medical practitioner for illness. His first consultation at District Hospital, Tumkur was on 18.1.02 as per the prescription produced before me. Again the life assured consulted the District Hospital, Tumkur as outpatient on 04.05.02 as per the prescription.

The life assured disclosed only one policy No.610366679 of Rs.25,000 in the proposal dt.11.1.2002 and did not disclose two other policies viz. 48637455 for Rs.5,000 and 611935998 for Rs.50,000 which is a lapse on his part.

The insurer is fully justified in repudiating the claims basing upon the information available with him but considering all the documents and the facts, I opine that the life assured had no intention to speculate but was not properly guided by the agents and he was not aware of the disease. As the first consultation was on 18.1.2002, after the submission of the proposal, and as LIC Of India has no evidence of ill health prior to the proposal the insurer is directed to settle the claim for Sum assured of Rs.1,00,000 on Policy no: 614178428 and the complaint on the other Policy No: 614255942 for 3 lakhs for non-disclosure of material particulars about health and other policies is dismissed.

Normally LIC settles the grievances quickly but in this case, It is unfortunate to note that they caused a lot of delay; Central Office grievance redressal machinery decided the case, by letter ref:CRM/CRC/9096 dt.4.2.2008, almost took 4 years to decide in considering the representation dt.10.4.2004, after denial at their ZOCRC on 16.3.04, and that too, after follow up by the complainant by her letter dt.4.12.2006. It is hoped that LIC takes steps that such delay does not occur in future. They are directed to pay interest for the delay as per IRDA regulations 2002, from 01.07.2004 till the date of this order.

The complaint is partly allowed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0412-2008-09

Smt.D.Kumari

Vs.

LIC Of India, Divisional Office, Nellore

Award Dated:: 26.2.2009 **Award No: I.O.(HYD) L-0045-2008-09**

The complaint is about the repudiation of claim on Policy No:842966407 on the life of Late Smt.D.Kumari, aged 40 yrs, who submitted a proposal dt.15.5.2006 for insurance of Rs.70,000 and obtained the policy, with date of commencement 25.3.2006. She died on 27.9.2006.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the life assured gave false answers to Q.Nos.11 (a,b,c,d,e,i) in the proposal and also that she was a known case of Chronic Rheumatic Heart Disease and taken treatment at SVIMS, Thirupathi, prior to the date of proposal. All these material facts were not disclosed in the proposal.

The complainant contended that the states that the Insurer repudiated without giving any reasonable ground and it is against the principles of natural justice and the minor's interest is involved in the case. The Insurer showed negligence towards the claim and failed to safeguard the interest of the minor nominee and without showing any documentary evidence, repudiated the claim and there is a deficiency in service.

Both the parties were heard on 20.2.2009 and all the documents submitted were perused.

Late Smt.D.Kumari W/o Shri D.Subrahmanya Naidu took an insurance policy no:842966407 named Bima gold for a sum assured of Rs.70,000 from LIC Of India, by submitting a proposal dt.15.3.2006, for a period of 20 years. She died on 27.9.2006 due to heart attack. The policy was issued under Non-Medical basis. The nominee under the policy is her daughter Ms.Sharanya and she was a minor at the time of issue of policy.

The life assured died within 6 months and 2 days and so, the Insurer, LIC Of India caused investigation into the matter and obtained Claim forms B and B1 from SV Institute of Medical Sciences, Tirupathi.

I perused all the documents submitted and after hearing both the parties personally on 20.2.2009, I observe that the claim form B obtained from SVIMS, Tirupathi clearly states that the life assured was a case of Post CMV (1998) and Post MVR (2006) and she was under their treatment

since 29.10.2004. The claim form B1 gives the details of hospital No:286382 and confirms that she was under their treatment since 29.10.2004 and further it states that she is a case of Post CMV (1998) done on 2.12.98 in Chennai and post MVR on 7.9.06 at SVIMS. History of GTCS for past six months as stated during out-patient consultation at SVIMS on 3.11.2004.

I perused the extract taken from SVIMS Hospital by the Manager (Claims) of LIC of India, which reveals the history of CRHD (Chronic rheumatic heart disease) and Post CMV done on 2.12.1998 at Stanley Hospital, Chennai. The first visit by life assured at SVIMS was on 29.10.2004 as outpatient when she disclosed about CRHD and CMV and again in her second visit on 3.11.2004 she disclosed "seizures for past 6 months – around Mly.once" and in the third time she was admitted on 26.6.2006 and had MVR (Valve replacement) on 7.9.2006 and got discharged on 18.9.2006. Finally on fourth time she was admitted on 23.9.2006 in the hospital and she died on 27.9.2006 at 1.15 p.m.

The insurer, in their repudiation letter dt.27.3.2008 clearly stated that the answers to the questions Q.No.11 (a,b,c,d,e,i) were false and also stated that she was a known case of CRHD (Chronic Rheumatic Heart Disease) and had taken treatment at SVIMS, Tirupati prior to the date of proposal. They further stated that she did not disclose these facts in her proposal. On representation to the ZOCRC, they also upheld the decision of the division, by their letter 7.11.08 which was communicated to the complainant on 19.11.08.

It is sad to note that the agent, as per his report dt.15.3.06, knows the life assured since two years and he gave a clean chit to Q.3(c) about the health condition and the authority who gave Moral Hazard report after independent enquiries, also confirmed the same.

In the present case, LIC is fully justified in rejecting the claim on the policy, as the policy was obtained by the life assured suppressing the material information of CRHD and the treatment taken prior to the date of proposal. But a considerable delay of more than a year, on the part of the Insurer in giving a decision on the claim, is observed and it is hoped that LIC of India shall abide by the regulations issued by IRDA in the matter of settlement of claims. On account of deficiency in service, LIC Of India is directed to refund the premiums paid on the policy to the complainant, as Ex-gratia.

The complaint is partly allowed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0391-2008-09

Smt.G.Parvathamma

Vs.

LIC Of India, Divisional Office,P & Gs., Hyderabad

Award Dated:: 26.2.2009 **Award No: I.O.(HYD) L-0046-2008-09**

The complaint is about the repudiation of claim on Group Policy No:511172 on the life of Late Smt.G.Parvathamma, who was a Savings Bank account holder with Andhra Bank, Parvathipuram, opened the account on 27.5.2006. She joined the Group Master Policy, which covers a life risk of Rs.1,00,000 in the event of natural death and Rs.2,00,000 in the event of accidental death and accordingly, the premium was deducted from her account. She died on 1.9.2007 due to heart failure.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the claim forms with the required documents were not submitted to them within 180 days from the date of death of the accountholder, and informed the banker by letter dt.16.5.2008.

The complainant contended that the states that the death intimation was given by a letter on 2.9.07 in the bank, when they asked him to submit the date of birth and date of death certificates. He stated that he subvmitted only date of death certificate but the Andhra Bank submitted the documents beyond the time limit to P&Gs of LIC of India.

Both the parties were heard on 18.2.2009 and all the documents submitted were perused.

It is observed that this is a time-barred claim. The claim forms were received by LIC Of India on 16.4.2008, after 227 days from the date of death.

The MOU between the LIC Of India and the Andhra Bank stipulate a condition 28 which says that the intimation of death to be given to Bank branch within 90 days and the duly filled in claim form along with the required documents are to be submitted to the P&GS Unit within 180 days through the respective Andhra Bank branch.

In the present case, the complainant states that he informed the Bank about the death of the accountholder on 2.9.07 itself but he could not produce any acknowledgement by the banker. The claim forms were stated to have been received by the Insurer through the banker on 16.4.2008.

The only objection by the Insurer to settle the claim in the present case is that it is time barred one and not on any other grounds. Further, the insurer did not enquire from the banker as to when the death intimation was given and when the documents were received by the bank and why the documents were entertained by them in spite of the regulation 28 of MOU. The insurer in his note dt.17.12.2008 states that it is for the Bank to bring the conditions of the MOU to the notice of account-holders and when the bank entertained the claim beyond the stipulated time,

and sent the documents to the Insurer for settlement, it does convey that there is some valid ground to settle the claim.

It was also deposed that the Insurer earlier considered such time barred claims as a one-time settlement and settled. Considering this case on humanitarian grounds, LIC of India is directed to pay an amount of Rs.50,000 as ex-gratia to the complainant.

The complaint is partly allowed.

Hyderabad Ombudsman Centre

Case No: L-21-006-0455-2008-09

Shri V.Vinay Kumar

Vs.

Birla Sun Life Insc.Co.Ltd., Mumbai

Award Dated:: 26.2.2009 **Award No: I.O.(HYD) L-0048-2008-09**

The complaint is about the repudiation of claim on Policy No:000997787 on the life of

Late Shri Viginigiri Apparao, who submitted a proposal dt.27.3.2007 for an enhanced sum assured of Rs.3,00,000 and obtained the dream plan from Birla Sun Life Insc.Co.Ltd. The policy commenced from 19.4.2007 and he died on 13.7.2008 due to heart attack. The policy was issued under Medical Scheme.

When nominee claimed for the monies, the Insurer Birla Sun Life Insc.Co.Ltd. rejected the claim on the plea that the life assured was a known case of Diabetes, Hypertension and Gastritis prior to the date of application of insurance. In addition their investigations also established that the life assured was a known case of Polio since childhood. The replies under (IX) Medical and Personal History of the Life to be insured (D) Medical Information to Q.No.1, 2a, 3 (a,c,e) of the application and 4 and the replies to Q.No.2, 3a, 4(a,c,e) and 5 in the Part I of Medical Examiner's Report dt.11.4.07 were false.

The complainant contended that the policy was accepted after thorough verification and medical examination by their approved company's panel medical examiner and all the terms and

conditions of the company were fulfilled as advised by them. The policyholder died due to heart disease and the company refused to pay the insured amount with irrelevant reasons.

Both the parties were heard on 20.2.2009 and all the documents submitted were perused.

The Family Physician's certificate dt.1.10.08 & a letter dt.1.10.08 issued by Dr.V.Basavapunna Reddy, Vijayawada clearly states that the life assured was his patient, taken treatment for Diabetes, Hypertension and gastritis since three years. He further stated that the life assured was a polio patient at childhood and he died on 13.7.2008

It is very sad to note that neither the Agent nor the Medical Examiner who conducted the medical examination of the life assured at the time of issuing the policy could notice the deformity of polio, which speaks about the conduct of the concerned. The Insurer is advised to take necessary corrective action in this regard.

The repudiation of claim by the Insurer, Birla Sun Life Insc.Co.Ltd. by their letters17.10.2008 and 19.11.2008 stating that the life assured suppressed the material facts and gave false answers to the questions 1, 2a, 3 a,c,e & 4 of (IX) (D) Medical Information of the application dt.27.3.2007 and also to questions 2, 3a, 4 a,c,e and 5 of Part I of Medical Examiner's Report dt.11.4.2007 is upheld and the complaint is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0411-2008-09

Smt.E.Jayakumari

Vs.

LIC Of India, Divisional Office, Machilipatnam

Award Dated:: 26.2.2009 **Award No: I.O.(HYD) L-0049-2008-09**

The complaint is about the repudiation of claim on Policy No:673537703 on the life of

Late Shri E.Kamalakara Rao, who took a policy for Rs.50,000 from LIC Of India, which commenced from 28.9.2002. The policy lapsed due to non payment of premiums with effect from 28.6.2004 and it was revived on 7.2.2005 on the strength of personal statement of health dt.7.2.05 duly collecting the arrears with late fee. The life assure died on 31.1.2006 due to hypertension.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that the life assured was not having good health as on the date of revival and he was admitted in hospital from 17.2.04 to 23.2.2004 (prior to revival) and he was diagnosed as HTN,COPD and Pneumothorax left. Further he availed leave on sick grounds. The cause of death had clear nexus with his past history of illness which was not disclosed in the personal statement dt.7.2.05 submitted at the time of revival. The revival of the policy was declared void and all moneys paid towards revival and subsequent thereto were forfeited.

The complainant contended that the life assured had no disease at the time of taking the policy and the policy was issued under medical scheme. After that, due to financial problems, they could not pay the premiums due to which the policy got lapsed which they revived it.

Both the parties were heard on 20.2.2009 and all the documents submitted were perused.

It is noted that the life assured was admitted in the ESI Hospital on 17.2.04 and discharged on 23.2.2004. He was treated for Hypertension/COPD & Managed conservatively for Pneumothorax left. It is a point to note that the policy was in force at the time of the treatment during this period.

Subsequently the policy lapsed on 28.06.04 due to non-payment of premiums and it was revived on 7.2.05. I observe that the illness and the treatment taken in ESI hospital was not disclosed in the PSH and the policy got revived. He died in ESI Hospital, Vijayawada on 31.1.2006 while undergoing treatment for breathlessness and the primary cause of death mentioned in the claim form B by the Medl.Attendant is Corpulmonale and the secondary cause is Hypertension.

The insurer, LIC Of India rejected the claim by their letter 27.3.2008 stating that the cause of death had clear nexus with his past history of illness, which was not disclosed in the PSH dt.7.2.05 submitted at the time of revival. They further stated that in terms of the declaration signed by him at the foot of the PSH, the revival of the policy was declared void and all moneys paid towards revival of the policy and subsequent thereto belonged to them. Their decision was also upheld by their Zonal Claims Review Committee which was communicated by letter dt.18.11.2008.

There are some peculiarities in this complaint. The policy was in force during the period 28.09.02 to 28.06.04 and the DLA was hospitalized during 17.02.04 to 23.02.04 when the policy was in force. Subsequently the policy lapsed on 28.06.04 and revived on 07.02.05. The revival takes effect from the date of the original policy. Hence, non- mentioning of the hospitalization during the time when the policy was in force could be condoned but the DLA should have mentioned the long sick leave of 234 days during 2004.

While the repudiation action taken by LIC Of India may be justified, considering the peculiar facts of this case and on humanitarian grounds, the Insurer is directed to refund the amount of revival collected being Rs.2,514=00 as Ex-gratia.

The complaint is partly allowed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0470-2008-09

Smt.T.Nagamani

Vs.

LIC Of India, Divisional Office, Secunderabad

Award Dated:: 26.2.2009 **Award No: I.O.(HYD) L-0050-2008-09**

The complaint is about the repudiation of claim on Policy No:641979373 on the life of

Late Shri T.Sigamani who submitted a proposal dt.9.2.2006 for an insurance of Rs.1,50,000. The policy commenced from 20.2.2006 and he died on 28.7.2006.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that life assured gave false answers to Q.No.11 (a,b,c,d,e,i) of the proposal dt.9.2.2006 and he was not keeping good health and also availed leave on medical grounds and all these facts were not disclosed in the proposal for insurance

The complainant contended that the insurer rejected the claim on the policy.

Both the parties were heard on 25.2.2009 and all the documents submitted were perused.

It is observed from the documents that the life assured availed sick leave on the following dates, for the reasons mentioned against the dates::

From 5.11.2002 to 16.11.2002 -- 12 days -- Amoebiasis -- Cert. of Dr.P.K.Banerjee, Yapral, Sec'bad

From 1.5.2004 to 28.5.2004 -- 28 days -- Enteric fever -- Cert. issued by Medical Oficer,cantonment

General hospital, Bolarum

From 1.6.2004 to 14.6.2004 -- 14 days -- Cold and Fever -- Cert. of Dr.R.Ravinder Kumar, Yapral, Sec'bad

It is also observed that the life assured had taken two more policies 641975251and 641977367 for Rs.50,000 and Rs.30,000 respectively which also resulted into early claims but LIC of India considered the claims and settled as ex-gratia, in spite of the above facts, applicable to those policies.

It is held that the repudiation of claim on policy No::641979373 on the grounds of non-disclosure of facts and deliberate mis-statements in the proposal, taken by LIC of India is fully justified, and

the complaint is therefore, dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0458-2008-09

Smt.S.Padmamma

Vs.

LIC Of India, Divisional Office, Hyderabad

Award Dated:: 13.3.2009 **Award No: I.O.(HYD) L-0051-2008-09**

The complaint is about the repudiation of claim on Policy No:644380502 on the life of

Late Shri Uppala Eshwaraiah, who took a policy for Rs.1,00,000 from LIC Of India by submitting a proposal dt.24.3.2006. He died on 5.9.2006 within 6 months.

When nominee claimed for the monies, the Insurer LIC Of India rejected the claim on the plea that life assured gave answer to Q.No.1 of the proposal dt.24.3.2006, as 46 yrs age nearer birthday which was false. Had he mentioned his correct age, this policy would have not been issued. In the previous policy LA had shown his date of birth as 1.7.1956 but in the present

policy, he showed as 1.7.1960, thereby understated his age by 4 years and induced the insurer to issue the policy on a false statement and by submitting a false document in support thereof.

The complainant contended that LIC Of India rejected the claim stating that the age was not disclosed as per previous policy, which has matured. As per the voter card issued to the life assured, his age is well below the declared age in the policy. The agent approached them and canvassed Bima Gold Policy, when the previous policy was matured in 2006 and the life assured had taken the policy by mentioned his age as 1.7.1960 by taking the following reasons into account:

A) Elder son's age was 26 yrs in 2006. DOB being 4.8.1980
B) Wife's age as per voters identity card No:AP/28/189/585209 was 39 yrs & age as on 1.1.95 was 28 yrs.

LIC Charged Age proof extra and the reason for charging the extra was that there may be difference of age.

The case was heard on 12.3.2009 and the complainant did not attend the hearing.

and hence, the complaint is decided ex-parte on merits on the basis of the submissions in the complaint.

I observe from the documents that the life assured had submitted a proposal dt.26.12.1990 which resulted into policy no.642707510 for Rs.15,000. He had submitted a self-declaration dt.26.12.90 in which he stated his age as 35 yrs as on that date. In the annexure 'A" F.No.3260, the agent and the Dev. officer certified that the apparent age of the life assured according to their estimation was 35 yrs. The Insurer admitted the date of birth in that policy as 1.7.56, taking the age nearer birthday as 35 years and issued the policy.

I also perused the proposal dt.24.3.2006 which resulted into the present policy no:644380502 for Rs.1,00,000 wherein he submitted a self declaration dt.26.3.2006, in which he stated his age as 46 yrs as on that date. This was certified by the agent and the Dev. Officer, that according to their estimation his apparent age was 46 yrs. in form no:5096/3260 (Rev.2000). The life assured submitted a declaration of Age on an affidavit duly attested by Notary, in which he declared that he was born at Jeelugupally on the 1st July 1960 and he was of 46 yrs. of age. The insurer, LIC Of India thus, admitted the date of birth as 1.7.1960 taking the age nearer birthday as 46 yrs and accepted the policy.

I observe that the agent in both the policies is same Shri G.Muralidhar, Code No:955680 who is a chairman club member under the organization of the dev.officer Shri B.Veeresham, code No:75164. The agent in his ACR dt.24.3.06 stated the age of the life assured as 46 years.

From the above, it is very clear that the agent Shri G.Muralidhar had misguided the life assured with a fraudulent intention of getting the life assured the required policy of Bima Gold, by understating his age by 4 years. The agent being a Chairman Club member agent, and the life assured was earlier his client had canvassed for a fresh policy, after maturity settlement of the old policy 642707510, cannot be said that he is not aware of the date of birth mentioned in the previous policy. Further, he did not mention about this policy in his confidential report, and recommended for acceptance of the proposal stating that the life assured was only 46 years. Had he revealed about the matured policy, in his report, the insurer could have referred to the file and checked the date of birth. Instead, he misguided the life assured and misled the insurer by his false declaration, knowing fully that the age was being understated by 4 years.

It is therefore held that the agent had played a mischievous role which had lead to the issue of this policy and so, the Insurer, is directed to refund the Premium collected by them to the complainant, as ex-gratia and It is also recommended that serious action, besides pecuniary punishment, be taken against the agent.

The complaint is partly allowed.

Hyderabad Ombudsman Centre

Case No: L-21-005-0366-2008-09

Smt.K.Rajitha

Vs.

HDFC Standard Life Insc.Co.Ltd., Mumbai

Award Dated:: 18.3.2009 **Award No: I.O.(HYD) L-0053-2008-09**

The complaint is about the repudiation of claims on Policy Nos:11196652, 11196658 and 11427673 on the life of Late Shri K.Ramesh Reddy. Late Shri Kariveda Ramesh Reddy had submitted two proposals dt.25.7.2007 for insurance under HDFC Unit Linked Young Star Suvidha Plus Plan for Rs.75,000 each and obtained two policies bearing nos:11196652 and 11196658, with Yly. Premium of Rs.15,000 and for a term of 10 years under both the policies. Both the policies have commenced from 28.7.2007. Subsequently he had submitted another proposal dt.3.12.2007 for insurance under HDFC Unit Linked Endowment plan for Rs.5,00,000, with Yearly premium of Rs.50,000 for 20 years, and obtained policy bearing no:11427673,

commencing from 27.12.2007. He died due to cardio respiratory arrest due to fungal sinusitis on 14.3.2008.

When nominee claimed for the monies, the Insurer , HDFC Std.Life Insurance Co.Ltd. rejected the claims on all the policies, on the plea that the life assured was suffering from Hypertension prior to policy issuance, which was not disclosed in the applications submitted for insurance.

The complainant contended that insurer rejected the claims on all the three policies on the plea of hypertension. She prayed for settlement of these claims.

The case was heard on 18.2.2009 and all the documents submitted were perused.

It is observed from the Death Summary of Yashoda Hospital, Secunderabad that the life assured was admitted on 10.3.2008 (IP 52149) and while on treatment he died there on 14.3.2008. The summary reveals that the life assured was a known case of Hypertension on treatment. Further, in the progress sheets, it was also mentioned that the patient was a known hypertensive since 3 yrs on Tab.Aten 25 mg. OD.

It is also observed from a certificate dt.12.5.08 issued by Dr,B.Bhaskara Rao, Raga Clinic, Secunderabad that the life assured was a hypertension patient detected 3 years before and was under continuous atenolol 25 mg. medication for 3 years.

In the hearing held on 18.2.09, both the parties were asked to submit the treatment particulars, if any, available.

The complainant submitted the following:

a) HDFC Bank a/c 3681000033196 opening letter dt.27.12.2006 by the life assured, which contains the address of Hyderabad.
b) Treatment prescriptions dt. 20.11.05, 21.1.06, 13.12.06, 22.3.07 issued to the life assured, by Dr. P. Ravinder Reddy, Amrutha Clinic, Homeopath

The Insurer also submitted the following:

a) a certificate dt.13.3.09 by Dr. P. Ravinder Reddy, Amrutha Clinic, stating that the life assured had visited his clinic on and off previously for his routine/common ailments like fevers/cold and cough/GE etc. He does not have any records as his clinic is a out-patient consultation clinic. He had given prescriptions on his letterhead only.

b) Two letters dt.13.3.2009 by Dr. Bhaskar Rao, MBBS, Raga clinic, Secunderabad stating that he issued the letter dt.12.05.08 stating therein that the life assured was a hypertension patient, to his relatives. He gave another letter dt.23.4.08 also to his relatives. The doctor in another letter dt.13.3.09 states that the first and last instance that the life assured visited

him was on 2.2.2005 and was detected as a hypertension patient and put on atenolol 25 mg.tablet.

From the documents, it is clear that the life assured was a hypertensive patient on treatment prior to the submission of the applications for insurance to the Insurer and suppressing the material facts, he obtained the policies. He provided false answers to Q.Nos.12 (2) (6)(b) `Section D – Personal medical details in the proposal dt.3.12.07 and in the two proposals dt. 28.7.07 also made false declarations in the Section D and obtained all the three policies.

It is therefore, held that the repudiation action on all the three policies, taken by the Insurer, HDFC Std.Life Insc.Co.Ltd. as communicated by their letters dt.10.6.08 & 29.7.08 is proper and justified.

The complaint is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-012-0440-2008-09

Shri A.S.Venkateswara Rao

Vs.

Met Life India Insc.Co.Ltd., Mumbai

Award Dated:: 18.3.2009 **Award No: I.O.(HYD) L-0054-2008-09**

The complaint is about the repudiation of claim on Policy No:1200700334216 on the life of Late Smt. A.Aruna, who took a policy for Rs.10,00,000. The policy commenced from 25.6.2007 and she died on 1.6.2008 within one year.

When nominee claimed for the monies, the Insurer , the Insurer Met Life India Insc.Co.Ltd. rejected the claim on the plea that the life assured was suffering from "Liver disease from last 4 years prior to taking the policy" which was not disclosed in her application.

The complainant contended that insurer issued the policy after conducting thorough medical examination and other tests satisfactory to them on the life assured. The life assured had gone for general health checkup in Global Hospital, Hyderabad in the month of July, 2007 and on 28.9.07 she was detected to be suffering from jaundice. She had undergone treatment and doctors

advised her to take continuous treatment. Again on 31.5.2008 she was admitted in Global Hospital as inpatient for transplant operation of Liver. The doctors did the transplantation of liver on 1.6.2008 but she died. She never felt any ill health prior to July 2007. The Insurer rejected the claim on the policy. They paid Rs.47,434=00 only on 5.9.2008 which he rejected.

The case was heard on 20.2.2009 and all the documents submitted were perused.

It is observed from the Discharge Summary of the Global Hospital (IP No:04427) that the life assured was admitted in the hospital on 28.9.07 and discharged on 30.9.07 and the diagnosis made was : CLD, PHT (Anti HBc Total positive), Bleeder on EVL Decompensated.

In the discharge summary the history was recorded as "Mrs.Aruna a case of ESLD admitted was for pre-liver transplant evaluation. She had first presentation of liver disease 4 years ago with hematemesis. Her symptoms have increased in the last 2 yrs. with ascites and coagulopathy. She did not give history of PSE. She also gave history of irregular menstrual periods and LSCS with BT 2 years ago." The consultant was Dr.Dharmesh Kapoor, Hepatologist.

Again she was admitted for Liver Transplantation in the Global Hospital (IP No:01542) on 31.5.2008 and the principle diagnosis made was Post OLT for end stage Liver Disease. She died in the hospital on 1.6.2008, after liver transplantation.

The complainant was asked to submit the first consultation papers, if any, prior to admission into Global Hospital, Hyderabad, as she was residing at Vijayawada. The complainant assured to submit within 15 days and submitted a letter from Pinnamaneni Care Hospital, Vijayawada dt.10.3.09 stating that Mrs.Atluri Aruna was seen for pain in lower abdomen on 29.10.97 and the diagnosis was Right Tubo-Ovarian Mass. She underwent laparotomy for the same on 1.11.97.

Post operative period uneventful. Histopathology report showed Non-specific Acute Salpingo-Oopheritis with abscess. She consulted them on and off for routine gynecological checkup and her last visit was on 13.8.2003 and routine ultrasonography of whole abdomen was done on the same day and it was within normal limits.

But the complainant did not submit any first consultation papers for the liver disease, prior to admission into Global Hospital, Hyderabad.

It is also observed from the proposal dt.8.6.07 that no mention of the above treatment by Pinnamaneni Care Hospital was found in reply to Q.Nos.13 of 4.3 Medical details & to Q.No.3 & 4 of 4.6 – For female proposed insured only.

Further, at the end of the proposal both the Proposed Owner (the complainant) and the proposed insured put their signatures to the declaration agreeing that if any untrue statement be contained in the application, the policy contract shall be null and void and all the moneys, which have been paid in respect thereof, shall stand forfeited to the company.

From the above evidences, it is held that the repudiation action taken by the Insurer on the policy, as communicated by letters dt.5.9.08 & 16.10.08 is proper. The complaint is **dismissed**.

Hyderabad Ombudsman Centre

Case No: L-21-001-0438-2008-09

Smt.T.Manjulaltha

Vs.

Birla Sun Life Insc.Co.Ltd., Mumbai

Award Dated:: 18.3.2009 **Award No: I.O.(HYD) L-0055-2008-09**

The complaint is about the repudiation of claim on Policy No:001298728 on the life of Late Shri Maria Mohana Reddy Tumma who took a policy for Rs.15,00,000 from Birla Sun Life Insc.Co.Ltd. He submitted a proposal dt.12.11.2007 and the policy was obtained, which commenced from 27.11.2007 and he died on 24.5.2008, within 6 months.

When nominee claimed for the monies, the Insurer , the Insurer Birla Sun Life Insc.Co.Ltd. rejected the claim on the plea that the life assured had suffered from Dengue Fever and was suffering from High Blood Pressure, Proteinurea as well as Kidney Disorder before his application for insurance and that the replies to the questions (IX)(D) 3 a, d, i given in the proposal were false.

The complainant contended that life assured died on 24.5.2008 due to Adult Respiratory Distress Syndrome (ARDS) and septic shock. He suffered with high grade fever and shortness of breath since 3 days prior to date of death and he was admitted in Yashoda Hospital, Secunderabad for the treatment. But, the insurer rejected the claim on the policy.

The case was heard on 20.2.2009 and all the documents submitted were perused.

It is observed from the Last Attending Physician's certificate issued by Dr.V.Suresh Babu of Yashoda Hospital, Secunderabad that the life assured was a known case of Focal Segmental Glomerulo Sclerosis diagnosed in the month of February 2008 on steroid therapy and hypertension on treatment. The first date of visit to the hospital was on 5.2.08.

It is also observed from the Hospital Treatment certificate issued by Dr.Nagendra Kaler, RMO of Yashoda Hospital, Secunderabad that the life assured was admitted in the hospital on 11.5.08 and

he died there on 24.5.08 while on treatment and the immediate cause of death was Adult Respiratory Distress Syndrome, Septic Shock.

From the certificate by the employer dt.11.8.08, issued by Capgemini India Pvt.Ltd., it is observed that the life assured availed leave on the following dates, for the reasons mentioned against them, as detailed below::

11.9.07 to 14.9.07 -- Dengue Fever

17.9.07 to 21.9.07 -- -do-

24.9.07 to 29.9.07 -- -do-

4.2.08 to 7.2.08 -- Kidney biopsy

and availed medical benefits for the nephritic syndrome on various occasions for the treatment given from 5.2.08 to 6.2.08 and thereafter.

From the Case Record of Yashoda Hospital IP No.50402, the life assured was admitted on 5.2.2008 for renal biopsy and the case sheet reveals that he had history of Protenuria since 5 months, detected HTN 5 months back. It also states that he had history of Dengue Fever in August 2007.

It is also observed from the Case summary dt.25.9.2007 issued by Aditya Medical Care Centre, Miryalguda, by Dr.K.Srinivasulu that the life assured consulted him on 10.9.2007 with the history of body pains, pyrexia and headache and he suggested routine blood investigations and the report suggested Dengue IgG & IgM. He then started treatment for Dengue with antibiotics and supportive drugs. After one week, i.e. on 17.9.2007 the life assured again went for check up and on investigation of blood, the doctor suggested medicines for one week. Again on 24.9.07 the life assured went to him for check-up and on investigation of blood, he was found to be in normal condition.

The prescription by Dr.K.Srinivasulu dt.12.1.08 consulted by the life assured for puffiness of face, Bilateral pedal Oedema and general weakness on 12.1.08 reveals that (uce) Urine culture exam was conducted and the result recorded was proteinurea and so the Doctor referred to higher centre for Nephrologist opinion.

It is also observed that the life assured had policies with ING Vysya (bearing no:00909144) for Rs.3,00,000 which settled the claim on 15.10.2008 for Rs.3,18,004=00 and with another insurer Bajaj Allianz Life Insc.Co. Ltd. (bearing no: 76946176) Which settled the claim for Rs.1,80,000 on 4.10.2008. But, the life assured did not disclose these policies in the application dt.12.11.2007 to Q.No.A) of (VIII) Insurance History of the life to be insured.

The relevant columns IX D “Medical information” in the proposal read as follows. :

IX D) MEDICAL INFORMATION ::

2. Within the past five years, have you:

a) Consulted any doctor or other health practitioner except for common cold, influenza lasting less than 4 days? -- NO

b) Submitted to ECG,X-rays, blood test or other tests? -- NO

c) Attended or been admitted/advised to be admitted to any hospital or other medical facility? -- NO

3. Have you ever had or sought advice for the following:

a) Chest pain, high blood pressure, stroke, heart attack, heart murmur or other heart disorders? -- NO

d) Protein (Albumin) blood or pus in the urine, sexually transmitted disease or venereal disease? --

NO

i) Urine, kidney, bladder, reproductive organ or prostrate disorders? -- NO

It is clearly established that the life assured gave false answers to the questions of 2 a), b) c) and 3 a) d) i) under (D) Medical information of the proposal, suppressing the material facts of having suffered from Dengue fever and undergone blood tests for it and also suffering from proteinurea, HTN prior to date of application for insurance.

The repudiation action taken by the Insurer, Birla Sun Life Insc.Co.Ltd., as communicated by their letters dt. 18.8.08 and 14.11.2008 is therefore upheld and the complaint is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-004-0451-2008-09

Smt.M.Sandhya Mohan

Vs.

ICICI Prudential Life Insc.Co.Ltd. Mumbai

Award Dated:: 18.3.2009 **Award No: I.O.(HYD) L-0056-2008-09**

The complaint is about the repudiation of claim on Policy No:06215936 on the life of Late Shri K.Mohan. He submitted an application dt.19.9.2007 for insurance of Rs.1,50,000 and obtained the policy. The policy commenced from 20.9.2007 and he died on 5.1.08 within 4 months.

When nominee claimed for the monies, the Insurer , ICICI Prudential Life Insc. Co.Ltd. rejected the claim on the policy, on the plea that the life assured had undergone a 2D Echocardiogram prior to issue of the policy which showed that he was suffering from Coronary Artery Disease, Valvular Heart Disease and moderate Left Ventricular Dysfunction;. Further the life assured expired due to Syncope arising out of Diseased heart.

The complainant contended that the proposal form was filled up by the insurance agent after convincing the life assured and took signature on the blank format. The life assured used to undergo some tests every 5 years, as any normal person above age 50 would do. The life assured was at Bhubaneshwar, where he was working, and he suddenly had a stroke/attack on the roadside and died without getting any medical aid. The Insurance company rejected their claim on the policy.

The case was heard on 12.3.2009 and all the documents submitted were perused.

The Post Mortem Report dt.5.1.08 states the cause of death of the life assured as Syncope arising out of diseased heart. The findings recorded were : Of the heart are antemortem in natural and appear to be characteristic of disease acute myocardial Infarction capable of producing cardiogenic shock sufficient to cause of death in syncope by failure of the heart, which could be a sudden death.

It is observed that the life assured had undergone 2D Echocardiogram at Yashoda Hospital, from the report dt.5.9.07 (Ex.No.120805 by Dr.Uday Kumar H – Diag No.912677) which gave conclusion as below::

CAD; RWMA+; Sclerotic aortic valve; Mild MR+; TGrivial Tr+; No PAH; Diastolic dysfunction; Moderate LV dysfunction.

The Madras Medical Mission (Unit: Institute of Cardio-vascular diseases), Chennai (ID No:1995041857) ADULT FOLLOW-UP CASE RECORD : 25.9.2007 in which the consultant comments are as below:

60 Yr.Old Gentleman, Old Anterior Wall MI, Ex Smoker, Previous Angiogram showed LAD 100% & 99% Diagnol, Old Anterior Wall MI, At present Asymptomatic, O/E, CVS: S4, ECG: Anterior Wall MI, TMT: Negative for inducible Ischemia, Echo: Moderate LV Dysfunction, EF 39%, LDL 85 MG% and recommended Low Fat Diet, Daily Exercise. The Medications were given and he was advised to check lipid profile once in 6 months and review after 1 year.

But in the application dt.19.9.2007, the relevant questions 22(a), 23 (c), (h) are answered as below:

22 Personal Details of the life to be assured:

a) Are you presently in good health? Yes

23 Health Questions:

c)Have you ever consulted any doctor or are you currently undergoing/have undergone any tests, investigations, awaiting results of any tests or investigations or have you ever been advised to undergo any tests, investigations or surgery or been hospitalized for general check up, observation, treatment or surgery? --- No

h) Have you ever suffered or are suffering from any of the following:

(xi) Chest Pain, palpitation, rheumatic fever, heart murmur, heart attack,

Shortness of breath or any other heart related disorder ? --- No

It is clearly established that the life assured had not disclosed about the tests he had undergone at Yashoda Hospital, Hyderabad on 5.9.07, i.e. prior to the date of the application which revealed CAD (coronary Artery Disease) and obtained the policy. The cause of death has nexus with the result of the tests he had undergone at Yashoda Hospital.

The repudiation action, taken by the Insurer, ICICI Prudential Life Insc.Co.Ltd., for suppression of material facts as communicated by their letters dt.31.3.2008 and 20.6.20008 is proper and therefore, the complaint is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-016-0414-2008-09

Smt.Pathan Shamshad Begum

Vs.

Shriram Life Insurance Co.Ltd.

Award Dated:: 31.3.2009 **Award No: I.O.(HYD) L-0058-2008-09**

The complaint is about the repudiation of claim on Policy No:NP 100600057271 on the life of Shri Md.Allauddin. Late Shri Md.Allauddin took a policy "Shri Life" with Shriram Life Insurance Co.Ltd., bearing No:100600057271 which has commenced from 7.7.2006 for a sum assured of Rs.5,00,000, by submitting a proposal dt.31.3.2006. The life assured died on 14.8.2006.

When the life assured claimed for the benefit on the policy, the Insurer rejected the claim on the plea that the life assured was suffering with severe health problems of neck pain/back pain since long time and was in long treatment before taking the above policy and concealed material facts with regard to his previous health condition and deliberately misrepresented by answering to Col.No.25 of the proposal form as "No".

The complainant contended that the life assured died of chicken-gunia in the hospital of Dr.D.Prabhakara Rao and died on 14.8.2006, The doctor had given a certificate stating the deceased was afflicted with the said ailment and he gave treatment for two days on 10th and 11th August 2006 but the Insurer repudiated by his letter dt.31.12.2007 that the deceased was having pre-existing health problem at the time of applying for insurance, which was not revealed and that the insurance policies are contracts governed by the Principles of utmost good faith. The life assured did not hide any health problems. The doctors also examined the deceased and only after satisfaction, the insurer accepted the proposal.

The case was heard on 25.2.2009 and all the documents submitted were perused.

From the documents submitted, It is observed that the life assured paid a deposit of Rs.10,000 for the policy and the instalment of Rs.6,619=00 was adjusted towards the premium but the balance of Rs.3,381=00 was not refunded to the life assured by the Insurer.

From the Claim Form B – Medical Attendant's certificate dt.30.1.2007 issued by Dr.D.Prabhakara Rao, the life assured was admitted in Devi Laxmi Nursing Home on 10.8.06 evening and was discharged on 11.8.2006 morning and he died on 14.8.06 at home, the cause of death cannot be ascertained precisely.

The life assured was not treated by any other doctor.

Further, from the documents submitted by the insurer it is seen that, Shri Md.Allauddin had undergone MRI of Cervical Spine by Sibar Medicare Ltd., Dornakal Road, Opp.Andhra Bank, Vijayawada, referred by Dr.P.Ravi, D.M.(Neuro) on 3.11.2003 and the life assured had

undergone X Ray at Dr.Nandan Singh's Diagnostic Centre, Tilak Road, Hyderabad on 21.9.04 referred by Dr.Syed Ibrahim Hassan.

From the document of leave particulars dt.4.5.07 of the life assured, availed in the Singareni Collieries Co.Ltd.. I observe that the life assured availed sick leave from 17.1.2004 to 31.1.2004 (11 days) and again from 13.2.2004 to 16.2.2004 (4 days).

In the hearing held on 25.2.2009, it was informed by the complainant that the life assured had another policy No:687598110 for Rs.5,00,000 from LIC Of India taken in March 2006 on the basis of proposal dt, 23.01.06 and LIC settled the claim on the policy.

But It is observed from the proposal dt.31.3.2006 submitted to the Shriram Life Insc.Co.Ltd. that the life assured did not reveal about the policy No:687598110 of Rs.5 lakhs obtained/proposed from LIC Of India, and he disclosed only one old policy No:681920050 for Rs.25,000. I also observe that he answered as "No" to Q.No.25 (4) – "Have you ever availed leave on medical grounds in the last three years? " of Personal Medical history and did not reveal about the sick leave availed by him. Also, he did not disclose about the medical check-up of MRI or the X Ray he had undergone in the proposal.

The policies of Life insurance are the policies of Utmost Good Faith and both the parties to the contract have to reveal all the facts in full. It is therefore, held that the Insurer, Shriram Life Insc.Co.Ltd. is right in repudiating the claim on the policy since the above material facts were deliberately hidden by the life assured which he only knew and obtained the policy, misleading the Insurer. Also, the Insurer is directed to refund the balance of the deposit to the complainant, if not already done so.

The complaint is Dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-002-0420-2008-09

Smt.Shobha V.Rajput

Vs.

SBI Life Insc.Co.Ltd., Mumbai

Award Dated:: 26.3.2009 **Award No: I.O.(HYD) L-0059-2008-09**

The complaint is about the repudiation of claim on Policy No:82001051909 on the life of Shri Smt.Hirabai Venkatsingh Rajput, who joined as a new member of the SBI Depositors Life

Insc.Scheme under the Master Policy No:82001051909, with date of commencement of risk from 8.1.2005 for a sum assured of Rs.1,00,000. The life assured died on 23.4.2008.

When the life assured claimed for the benefit on the policy, the Insurer rejected the claim on the plea that renewal premium due in November 2007 was not received by them and hence, the policy was in lapsed condition and all the benefits there under ceased.

The complainant contended that the life assured had a pension account with State Bank of India, Mudhol and joined the Super Suraksha for a sum of Rs.1,00,000. The annual premiums were debited from her account and adjusted from time to time every year. She maintained a balance of more than Rs.7,000 in the account and she had not defaulted the payment of the premium. There is no fault of her for non-payment of premium and she is uneducated. Hence, they are entitled to the benefit under the policy.

The case was heard on 25.2.2009 and all the documents submitted were perused.

Late Smt.Rajput Hirabai Venkatsingh was an Account Holder of State Bank of India, Mudhol branch and enrolled herself in the Group Insurance for Account holders of State Bank Group branches under a Master Policy of "Super Suraksha" of SBI Life Insc.Co.Ltd. No:82001051909 which covers a death risk of Rs.1,00,000 due to any cause, with effect from 8.1.2005. The Premium under the master policy was due in November every year, and the banker deducted the Yly. Premium of Nov. 2005; Nov. 2006 and failed to deduct the premium of Yly. Nov. 2007. The life assured died on 23.4.2008.

In the hearing, the Insurer was asked to submit

a) Memorandum of Understanding between SBI and SBI Life Insc.Co.Ltd. and

b) the Consent cum authority letter submitted by the life assured to the banker.

A letter dt.20.3.2009 is received from SBI Life Insc.Co.Ltd. stating that there is no memorandum of Understanding between the Master policyholder i.e. State bank of India and the SBI Life Insc.Co.Ltd., in connection with the master policy and the supersuraksha form (proposal form) submitted by the life assured was not available, as per the communication dt.24.2.2009 of State Bank of India to them.

It is very sad to note that the relevant important document signed by the life assured at the time of joining the master policy was misplaced by the authorities. However, the insurer did submit a specimen enrolment form (Annexure IV) of Consent cum Authorisation, which is perused by me.

As per the consent cum authorization format, the account holder authorizes to debit his/her account number with the premium every year when the annual premium becomes due. The Account holder also authorizes the bank to continue to debit his/her account with the amount of the annual premium as applicable to him/her on every annual premium payment date, so long as

he is eligible to remain a member of the scheme, unless he intimate the banker in writing to cancel this authorization.

In the present case, from the bank's statement submitted to us, the account holder had a balance of Rs.8601=21 as at 2.11.07 and Rs.9717=21 as at 30.11.07, Rs.10,447=21 as at 31.12.07.

From the above, it is very clear that the bank had failed to recover the yearly renewal premium due in November 2007 though there was sufficient amount of balance in the account of the life assured.

In this context, reference is made to a decision of Supreme Court of India civil appeal No.6028 of 2002 between Ashok Bhan and S.B.Sinha, JJ. And other SLP civil appeals Nos.8230,18958 of 2003 & 48 of 2005 between Chairman, LIC Of India & others Vs. Rajiv Kumar Bhasker. It was held that in the event of non-payment of premium by the employer, it was the duty of the insurer to inform the employees about the consequences of non-receipt of such premium and that Corporation cannot be permitted to take advantage of its own wrong as also the wrong of its agent. It was held that the Corporation is liable to pay the assured amount.

The arrangement of the Master policy of the Insurer is a tripartite agreement among the Account holder, the Bank and the Insurer.

It is highly regrettable to hear from the SBI Life Insc.Co.Ltd. that there is no memorandum of understanding between the parties the Insurer and the Bank. In the absence of MOU, the Bank is assumed to be acting as an agent on behalf of the Insurer, deducting the premium for the ages specified and subject to the declaration of personal statement of health by the account holder.

The consent cum authorization letter being obtained by the bank from its account-holders clearly authorizes the bank to deduct the premium from the account every year so long as he is eligible to remain a member of the scheme, unless he intimate the banker in writing to cancel this authorization.

In the present case, the life assured Smt.Hirabai Venkatsingh Rajput had not given any intimation to the bank to cancel her authorization.

Even in case of non-payment of renewal premium from the account holder, for any reason whatsoever, it was the duty of the Insurer to inform the account holder about the consequences of non-receipt of such premium from the banker. The Insurer had failed or neglected to do so, in the present case.

Therefore, the Insurer, SBI Life Insc.Co.Ltd. cannot be permitted to take advantage of its own wrong as also the wrong of its agent, i.e. the State Bank of India, Mudhol branch. Had the Insurer informed the life assured about the non-receipt of renewal premium from the bank, there would have been an opportunity given to the life assured either to pay or discontinue from the scheme.

It is therefore, held that non-receipt of premium by the Insurer simply, does not entitle him to avoid the contractual obligation of the claim by merely stating that there is no consideration in the contract. The contract is renewable contract every year and the insurer shall ensure prompt continuity of the scheme not only with all the existing accountholders under the scheme unless and until they are unwilling or ineligible by any reason whatsoever but also it shall be the responsibility of the Insurer to bring it to the notice of the defaulted insured about the consequences of non-payment of premium. The contents of the master policy document between the Insurer and the Bank are not known to the insured members. It is therefore, for the Insurer to take sufficient care to provide security to the family members of the insured members, in case of death of the insured member.

The Insurer, SBI Life Insurance Co. Ltd. is directed to pay the Sum assured to the complainant duly deducting the Yly. renewal premium amount on the life of the deceased life assured.

The complaint is allowed.

Hyderabad Ombudsman Centre

Case No: L-21-002-0496-2008-09

Shri N.Khaja Vali

Vs.

SBI Life Insc.Co.Ltd., Mumbai

Award Dated:: 31.3.2009 **Award No: I.O.(HYD) L-0060-2008-09**

The complaint is about the repudiation of claim on Policy No:27010726801 on the life of Smt.Fathima Bee W/o Shri Khaja Vali, aged 32 yrs., who submitted a proposal dt.4.12.2007 for insurance and obtained a policy bearing No:27010726801 commenced from 17.12.2007 covering a life risk of Rs.75,000 under the policy. She died on 22.1.2008, within 1 month 5 days from the commencement of the policy.

When the life assured claimed for the benefit on the policy, the Insurer rejected the claim on the plea that the life assured had concealed the material facts at the time of entering into the contract of insurance and answered as "No" to Q.No.9 (xii) of the proposal dt.4.12.2007 but she was diagnosed for Pitutary SOL prior to the date of commencement of policy. Hence, they paid

Rs.9,521=00 as a refund of fund value as per the policy conditions and repudiated the sum assured claim.

The complainant contended that the life assured was healthy at the time of taking insurance and there were no problems of health. But their claim was rejected by the Insurer stating that the life assured was having brain tumour, which they do not know and she used to attend to the works as normal.

The case was heard on 19.3.2009 and all the documents submitted were perused.

From the Obsteric case records Regn.No.49767 of Govt.General Hospital,Kurnool, she was admitted on 12.12.2007 and was diagnosed as Pitutary SOL. Further, it was recorded in the case sheets that she was a case of loss of vision since 6 months.

It is also observed from the proposal papers that the answer given by the life assured to the Q.No.9 (xii) as "No", which read as under::

Q.No.9 of Proposal dt.4.12.2007 – Are you suffering from or did you suffer in the past from

Eye disease --------- No

It is therefore, evident that the life assured concealed the material fact and obtained the policy. Further, the declaration at the end of the proposal states that if after the date of submission of the proposal but before the issue of the premium receipt by the company, if there are any adverse circumstances connected with the general health of proposer, he shall forthwith intimate the same to the Insurer in writing to reconsider the terms of acceptance of the proposal. Any omission on his part shall render the contract of assurance invalid.

In the present case, the proposal dt. 04.12.2007 was submitted to the Insurer and the life assured was admitted in the Govt.General Hospital, Kurnool on 12.12.2007 and the policy was accepted by the Insurer w.e.f. 17.12.2007. The life assured should have brought these facts to the notice of the Insurer for reconsideration of the terms of acceptance.

The policy document was dispatched by the Insurer, vide his covering letter dt.20.12.2007

As the policies of Life insurance are the policies of Utmost Good Faith and both the parties to the contract have to reveal all the facts in full.

In view of non-disclosure of material facts in the proposal and misrepresentation made by the deceased life assured, and also not intimating the fact of admission into the hospital, before the acceptance of the proposal, which lead to issue of the policy by the Insurer, it is held that the

Insurer, SBI Life Insc.Co.Ltd. is fully justified in rejecting the Sum Assured on the policy. However, as per the policy conditions, they refunded the fund value of Rs. 9,521.00 to the complainant.

The complaint is therefore, dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-002-0496-2008-09

Shri N.Khaja Vali

Vs.

SBI Life Insc.Co.Ltd., Mumbai

Award Dated:: 31.3.2009 **Award No: I.O.(HYD) L-0060-2008-09**

The complaint is about the repudiation of claim on Policy No:27010726801 on the life of Smt.Fathima Bee W/o Shri Khaja Vali, aged 32 yrs., who submitted a proposal dt.4.12.2007 for insurance and obtained a policy bearing No:27010726801 commenced from 17.12.2007 covering a life risk of Rs.75,000 under the policy. She died on 22.1.2008, within 1 month 5 days from the commencement of the policy.

When the life assured claimed for the benefit on the policy, the Insurer rejected the claim on the plea that the life assured had concealed the material facts at the time of entering into the contract of insurance and answered as "No" to Q.No.9 (xii) of the proposal dt.4.12.2007 but she was diagnosed for Pitutary SOL prior to the date of commencement of policy. Hence, they paid Rs.9,521=00 as a refund of fund value as per the policy conditions and repudiated the sum assured claim.

The complainant contended that the life assured was healthy at the time of taking insurance and there were no problems of health. But their claim was rejected by the Insurer stating that the life assured was having brain tumour, which they do not know and she used to attend to the works as normal.

The case was heard on 19.3.2009 and all the documents submitted were perused.

From the Obsteric case records Regn.No.49767 of Govt.General Hospital,Kurnool, she was admitted on 12.12.2007 and was diagnosed as Pitutary SOL. Further, it was recorded in the case sheets that she was a case of loss of vision since 6 months.

It is also observed from the proposal papers that the answer given by the life assured to the Q.No.9 (xii) as "No", which read as under::

Q.No.9 of Proposal dt.4.12.2007 – Are you suffering from or did you suffer in the past from

Eye disease --------- No

It is therefore, evident that the life assured concealed the material fact and obtained the policy. Further, the declaration at the end of the proposal states that if after the date of submission of the proposal but before the issue of the premium receipt by the company, if there are any adverse circumstances connected with the general health of proposer, he shall forthwith intimate the same to the Insurer in writing to reconsider the terms of acceptance of the proposal. Any omission on his part shall render the contract of assurance invalid.

In the present case, the proposal dt. 04.12.2007 was submitted to the Insurer and the life assured was admitted in the Govt.General Hospital, Kurnool on 12.12.2007 and the policy was accepted by the Insurer w.e.f. 17.12.2007. The life assured should have brought these facts to the notice of the Insurer for reconsideration of the terms of acceptance.

The policy document was dispatched by the Insurer, vide his covering letter dt.20.12.2007

As the policies of Life insurance are the policies of Utmost Good Faith and both the parties to the contract have to reveal all the facts in full.

In view of non-disclosure of material facts in the proposal and misrepresentation made by the deceased life assured, and also not intimating the fact of admission into the hospital, before the acceptance of the proposal, which lead to issue of the policy by the Insurer, it is held that the Insurer, SBI Life Insc.Co.Ltd. is fully justified in rejecting the Sum Assured on the policy. However, as per the policy conditions, they refunded the fund value of Rs. 9,521.00 to the complainant.

The complaint is therefore, dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-012-0495-2008-09

Smt.I.Nagamani

Vs.

Met Life India Insc.Co.Ltd.

Award Dated:: 31.3.2009 **Award No: I.O.(HYD) L-0061-2008-09**

The complaint is about the repudiation of claim on Policy No:1200600252110 & 1200700320784 on the life of Shri I.Siva Sankar who submitted two proposals dt.28.12.2006 and 15.5.2007 to Met Life India Insc.Co.Ltd. and obtained two policies bearing No:1200600252110 and 1200700320784, which commenced from 29.12.2006 and 22.5.2007 and covering an insurance Sum Assured of Rs.1,00,000 and Rs.50,000 respectively and he died very early on 20.7.2007.

When the life assured claimed for the benefit on the policy, the Insurer Met Life India Insc.Co.Ltd.. rejected the claim on both the on the plea that the life assured was suffering from "Diabetes" since 3 yrs., before his application to the policies and he did not disclose the material fact in his application and denied them the opportunity to assess the risk properly.

The complainant contended that the life assured was not aware of diabetes and the policies were taken under non-medical basis. He looked to be very healthy and strong and there was no doubt about any disease.

The case was heard on 19.3.2009 and all the documents submitted were perused.

From the document of Summary of Suraksha Emergency Hospital, Rajahmundry, I observe that the life assured was admitted in the hospital on 18.7.2007 and died on 20.7.07 in the hospital. The summary states that the life assured was admitted at Rajahmundry neuro hospitals on 10.7.07 with Rt.Hemiplegia and Global Aphasia. The life assured had been detected to be Diabetic earlier but not on therapy or follow for the same.

As per the report dt.18.7.07 of Suraksha Emergency Hospital, the life assured was a case of CVD ® with hemiperesis with suspected DVT, and DM 3 years on treatment.

From the Treatment sheet of Rajahmundry Neuro Super Speciality Hospitals, I note that the life assured was detected to be hypertensive 2, 3 yrs. earlier but not under follow up.

Further, it is observed from the statement of the complainant and also deposition in the hearing on 19.3.2009 that the life assured was working as financial advisor in Met Life Insc.Co.. But the profession mentioned by him in the applications was different as business - proprietor of Babaji Decorators in the first proposal and secretary to City Bus workers Union.

It is also observed that the first policy no: 1200600252110 was not disclosed in the second proposal dt.15.5.2007 to the question No:1.19

The policies of Life insurance are the policies of Utmost Good Faith and both the parties to the contract have to reveal all the facts in full.

In view of non-disclosure of material facts in the proposals, it is held that the Insurer, Met Life India Insc.Co.Ltd. is fully justified in treating the policy as Null and Void, and in rejecting the claims on both the policies . The complaint is Dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0389-2008-09

Smt.P.Shobha Rani

Vs.

LIC Of India, Divisional Office, Warangal

Award Dated:: 31.3.2009 **Award No: I.O.(HYD) L-0062-2008-09**

The complaint is about the repudiation of claim on Policy No:687076574 on the life of Shri P.Kumara Swamy had taken a policy bearing No: 687076574 for a Sum assured of Rs.1,00,000 under Joint Life Policy, covering his life and also his wife's life each, with effect from 23.04.2004 by submitting a proposal dt. 21.04.2004. The policy lapsed due to non-payment of premiums from 23.04.2005 and the same was revived on medical basis on 8.03.2006 with payment of premia with interest. The life assured died on 08.09.2006 in NIMS, Hyderabad.

When the life assured claimed for the benefit on the policy, the Insurer LIC Of India, rejected the claim on the plea that the life assured had history of ill health prior to date of proposal for which he had consulted a medical man and had taken treatment from him. He did not disclose these facts in his proposal and gave false answers.

The complainant contended that the life assured was healthy at the time of revival. She states that prior to 6 months from the date of revival (8.3.2006) & 1 year from the date of death (8.9.06) the life assured suffered from fever, body pains and he was taken to NIMS, Hyderabad on a doctor's advice, where they diagnosed it as a normal fever. The revival was on medical basis. Many people in September 2006 suffered from Chicken gunya and life assured also suffered from it and was admitted in NIMS where he died.

The case was heard on 19.3.2009 and all the documents submitted were perused.

The representative of the LIC Of India who attended the hearing admitted that the letter was wrongly drafted as illness prior to date of proposal and regretted for the mistake and requested to

take as illness prior to date of revival. She also stated that the claimant whenever visited their Office was clearly told about the mistake crept in. Further from their Zonal Office also a clarification is submitted that the claim was repudiated based on the previous history of ailment of the deceased as per the terminal case sheets of NIMS hospital, since there is a nexus between the cause of death and the previous ailment.

From the Discharge Summary of NIMS, Hyderabad, I observe that the life assured was admitted in NIMS on 30.9.2005 and he was diagnosed as Pyrexia of Unknown origin and SLE – Arthritis, ANA positive and was discharged on 11.10.2005. It states that he presented with case of fever since 45 days and polyarthritis since 45 days involving knee first in an additive manner involved MTP 1st, elbow, wrist, MCP. For the above symptoms he was admitted in a private nursing home and was given Taxim, Amikacin suspected of enteric fever.

Several investigations were conducted by NIMS including the Right inguinal Lymphnode biopsy and Bone Marrow and biopsy and on request, he was discharged and was advised to follow up on OPD basis if pyrexia recurs and advised to start Naprosyn and follow up on OPD.

But in the personal statement of health dt.7.3.06 submitted by him on his life, for revival of the policy, this material fact was not disclosed to the Insurer. He answered to Q.No.2 (a) & (c) as "No", which read as under::

PSH dt.7.3.06 - Q.No.2– Since the date of your proposal for above mentioned policy

(a) Have you ever suffered from any illness/disease requiring Treatment for a week or more ? ---------- ---------- No

(c) Did you ever undergo ECG,X-Ray, Screening, Blood, Urine or Stool Examination? ---------- ---------- No

The policies of Life insurance are the policies of Utmost Good Faith and both the parties to the contract have to reveal all the facts in full.

In view of non-disclosure of material facts in the personal statement of health dt.7.3.06 by the deceased life assured, which lead to revival of the policy by the Insurer, I hold that the Insurer, LIC Of India is fully justified in rejecting the claim on the policy. However, the following lapses are observed on the part of the Insurer. In the repudiation letter dt.31.3.07 it was stated that "the LA had history of ill health prior to date of proposal dt.21.4.04". This is factually incorrect as observed above. It is also a fact that the claim on the policy was repudiated after the expiry of

the warranty period. The revival of the policy was on medical basis. The Insurer admits the culpability of the Agent. Hence, LIC Of India is directed to refund the amount of Rs.5,581.00 which was collected by them towards revival of the policy, as ex-gratia to the complainant.

The complaint is partly allowed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0519-2008-09

Dr.Krishnappa G.Chavan

Vs.

LIC Of India, Divisional Office, Dharwad

Award Dated:: 31.3.2009 **Award No: I.O.(HYD) L-0063-2008-09**

The complaint is about the repudiation of claim on Policy No:637483083 on the life of Shri Mahadevappa Govindappa Lamani, aged 48 yrs., coolie, submitted a proposal dt.21.10.2006 for insurance for a Sum Assured of Rs.30,000 under New Janaraksha Plan 91 for a period of 15 yrs, which commenced from 28.10.2006 from LIC Of India and nominated his brother Shri Krishnappa under the policy. He died on 13.7.2007, within 9 months.

When the life assured claimed for the benefit on the policy, the Insurer LIC Of India, rejected the claim on the plea that life assured had withheld correct information regarding his health at the time of effecting the assurance and gave false answers to Q.11 Personal History a, b & i of the proposal dt.21.10.2006. Further, they stated that the life assured had suffered from Cerebro Vascular Accident for which he consulted a medical man and had taken treatment in a hospital, which was not disclosed in his proposal.

The complainant contended that the life assured had good health and he had not suppressed any ailments as stated in the repudiation letter dt.2.1.08. He neither made a deliberate incorrect statement nor withheld correct information regarding his health. The life assured's death was a natural one and he had neither taken any treatment in any hospital for cerebro vascular accident nor consulted a medical man.

The case was heard on 25.3.2009 and all the documents submitted were perused.

It is observed from the Outpatient slip OPD No.27321 dt.16.5.05 of Chigateri District Hospital, Davanagere that the life assured consulted the hospital on 16.5.05 where he was advised

ECG,CT Scan Brain and other blood reports. It was mentioned therein that he was suffering for 7 days from facial palsy/stroke (cerebro vascular accident).

We also refer to the document submitted, of the Medical referee who opined that the life assured had suffered from stroke (cerebro vascular accident), as per the chigateri district hospital summary sheet.

It is therefore, evident that the life assured concealed the material fact of his sickness suffered and obtained the policy.

It is also observed from the proposal papers, that the policy was taken under non-medical basis and the agent who booked the policy was related to the life assured, who knew him since 4 years. Though the life assured had a wife and 3 children, the nomination was done in favour of his brother, who is aged 36 yrs. Further, the life assured was residing at Hunashikatti, Ranebennur Post, Haveri dist., but the address for communication was given c/o the nominee at Dharwad, and the policy was taken at Dharwad branch. The investigating officer stated in his report that the wife and children of the life assured were not aware about the policy.

As the policies of Life insurance are the policies of Utmost Good Faith, both the parties to the contract have to reveal all the facts in full.

In view of non-disclosure of material facts in the proposal and misrepresentation made by the deceased life assured, in the proposal submitted to the Insurer, which lead to issue of the policy by them, it is held that the Insurer, LIC Of India, is fully justified in rejecting the Sum Assured on the policy. It is suggested to the Insurer, to take stringent action against the agent who procured the case.

The complaint is dismissed.

Hyderabad Ombudsman Centre

Case No: L-21-001-0508-2008-09

Smt.N.Seshamma

Vs.

LIC Of India, Divisional Office, Shimoga

Award Dated:: 31.3.2009 **Award No: I.O.(HYD) L-0064-2008-09**

The complaint is about the repudiation of claim on Policy No:624233758 on the life of Shri N.Eswarappa S/o Shri R.Nagappa, aged 23 yrs., submitted a proposal dt.20.9.2005 for an insurance cover of Rs.65,000 to LIC Of India and obtained a policy bearing no:624233758, which commenced from 20.9.05, for a period of 20 years. He died on 3.12.2005, within 3 months after taking the policy.

When the life assured claimed for the benefit on the policy, the Insurer LIC Of India, rejected the claim on the plea that the life assured had withheld correct information regarding his health at the time of effecting the assurance and gave false answers to Q.11 Personal History (a, e & j)of the proposal dt.20.9.2005. Further, they stated that the life assured was diagnosed to have Lymphadenitis more in consistent with Koch prior to the date of the proposal for which he had taken treatment in a Govt.Dist.TB Centre under Revised National TB Control Programme. All these material facts were not disclosed in the proposal and gave false answers deliberately to the questions in the proposal.

The complainant contended that the life assured was a policyholder of LIC of India and after his death, the insurer rejected the claim on irrelevant grounds.

The case was heard on 25.3.2009 and all the documents submitted were perused.

It is observed from the Claimant's Statement Form A, dt.6.6.2006 that the claimant had furnished the name of the medical attendant during the last illness as Govt.Hospital, Bijapur, TB Control Programme Identity Card.

It is also observed from the Outpatient Card of Govt.Mc.Gann Hospital, Shimoga dt.4.9.2003 that the life assured was diagnosed as a patient of Lymphnode and took treatment for the same. Further, the Tuberculosis Register (Revised National TB control programme) of Dist.TB control centre, Bijapur contains the name of the life assured with TB No.396 and the date of starting treatment was 10.9.2003.

In the hearing held on 25.3.09, it was admitted by the complainant and her son that the life assured was treated for TB, and they asserted that the same was disclosed to the agent at the time of taking the policy and they submitted the ID card issued by TB control programme alongwith claim papers.

The ID card shows that the treatment was started on 10.9.2003 and the appointment dates were given as ::12.9.03,15.9.03,17.9.03,19.9.03,22.9.03,24.9.03,26.9.03,29.9.03,1.10.03,3.10.03,6.10.03,8.10.03, 10.10.03 and 15.10.03.

From the above, it is clearly established that the life assured obtained the policy without disclosing the illness suffered and the treatment taken, in the proposal, which is material to the insurer for consideration of acceptance of the risk on his life.

It is suggested that where there is no medical examination, the insurer, shall take steps to stringent the underwriting process by verification of the statements/health condition of the proposers on a random sampling, to avoid very early claims and consequent unpleasantness to the claimants. This will not only protect the image of the insurer but also give a message to the marketing team that they have to be careful in booking the cases for insurance.

The policies of Life insurance are the policies of Utmost Good Faith, and both the parties to the contract shall have to reveal all the facts in full.

In view of non-disclosure of material facts and misrepresentation made by the deceased life assured, in the proposal dt.20.9.05 submitted to the Insurer, which lead to issue of the policy by them, it is held that the Insurer, LIC Of India, is fully justified in rejecting the Sum Assured on the policy.

However, It is observed that there was considerable delay in communication of rejection of the claim by ZOCRC. The Zonal Office acknowledged the representation dt.4.5.07 of the complainant, by their letter dt.24.5.07 and they decided the case on 30.11.07 (CRC No.3975) which was communicated to her by letter dt.9.9.08 by the Divisional office. Even after receipt of a legal notice by her advocate dt.9.3.2008, the communication of rejection by ZOCRC was delayed by the Divisional office by 6 months. It is also observed that the Insurer has initiated action against the agent and the Development Officer for the lapses on their part. It is further observed that the claimant had cooperated with the Insurer by submitting the ID Card of the life assured and also furnished in the Claim Form A about the illness suffered and treatment taken. In these circumstances, on a humanitarian consideration LIC Of India is directed to refund the first premium of Rs.2,616=00 collected by them, as ex-gratia.

The complaint is partly allowed.

KOCHI

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-002-178/2008-09

Smt.G.Bhagyalakshmi

Vs

SBI Life Insurance Co.Ltd.

AWARD DATED 30.09.2008

The complainant's husband, Dr.S.A.Krishnankutty had availed a housing loan from The Federal Bank. He has also taken an insurance policy from SBI Life Insurance Co.Ltd. to cover housing loan in case of his premature death. He died on 26.01.2008, within 4 months of taking policy, during the post-operative treatment of CABG. The claim was repudiated on the ground that the policy was obtained on the strength of a false declaration of health.

The complainant had stated that her husband was of good health at the time of taking policy. After retirement from regular service, he worked in various hospitals as a doctor till his death. Though he had undergone angioplasty in 1993, he was of good health. The hospital records produced shows that he has undergone angioplasty in 1993 at AIIMS, New Delhi. The diagnosis at AIIMS shows that he was hypertensive and diabetic. Hence it cannot be said that he was of good health at the time of taking policy. He was admitted in the Medical Trust Hospital for bypass surgery during the course of which he expired. There he had stated that he had episodes of exertional dyspnoea 2 months before admission. This means that even before that he was aware of his ailments. In the good health declaration, it was stated that he was not having any critical illness. The discharge summary of AIIMS shows that he had undergone angioplasty in 1993. Hence the declaration that he had never suffered any critical illness is false. From the above findings, it looks that the good health declaration is false and hence the contract of insurance is to be treated as VOID. The complaint is, therefore, DISMISSED.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/22-009-371/2008-09

Smt.Binsi Udayakumar

Vs

Bajaj Allianz Life Insurance Co.Ltd.

AWARD DATED 28.01.2009

The complainant's husband was issued with a Unit Gain policy in pursuance of a proposal submitted on 21.06.2007. The Capital Unit Gain Policy was for a sum assured of Rs.1,00,000/- and with an annual premium of Rs.10,000/-. The insured died on 22.05.2008 while undergoing treatment at PVS Hospital. The claim was repudiated on the ground that the policy was taken by suppressing some material facts. It was submitted on behalf of the insurer that at the time of taking policy, he was suffering from diabetes and has taken treatment for diabetes and liver cirrhosis. They have got conclusive proof that the policy was obtained by suppressing these material facts. In the proposal papers, all the health related questions were answered as if he is of good health and never taken treatment for any illness.

The hospital reports produced show that he has undergone treatment as IP from 29.03.2007 to 03.04.2007 indicating the line of treatment as 3 units of plasma on 29.03.2007 and 2 units on 30.03.2007 for coagulation failure. The coagulation failure is secondary to liver cirrhosis. It is also noted in the hospital reports that he was having diabetes since January 2007 and cirrhosis of liver was diagnosed on 29.03.2007. The insured died of intracranial hemorrhage, chronic liver disease and diabetes mellitus. The insurer was able to prove that the policy was obtained by suppressing some material facts and hence the repudiation is to be upheld.

However, this is a Unit Gain Policy. Part of the premium paid is invested in unit for the benefit of insured. Even if the risk claim is repudiated, the nominee is entitled to get the unit value as on date of intimation of death. Hence an award is passed directing the insurer to pay the unit value of Rs.7,268/- with 8% interest p.a. and a cost of Rs.1,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-003-254/2008-09

Smt.C.A.Thankamani

Vs

Tata AIG Life Insurance Co.Ltd.

AWARD DATED 19.12.2008

The complainant's husband Late Shri P.V.Kochel was issued with a policy for an assured sum of Rs.1,20,000/- w.e.f. 19.05.2006. After payment of 2 yearly premiums of Rs.15,000/- each, the insured died on 05.03.2008 on account of EVL Ulcers, Acute renal failure, chronic liver disease. The claim was repudiated on the ground that the policy was obtained by non-disclosure of pre-proposal illness and hence, the contract has become null and void. The policy has run only for 1 year and 10 months. It was submitted by the insurer that the insured was suffering from diabetes and liver disease at the time of taking policy. The insured himself had reported the history of diabetes, since 15 years, to the hospital authorities when he came for admission at PVS hospital on 04.02.2008. The Welcare Hospital has confirmed that the life assured first consulted them on 10.01.2006 with history of diabetes for more than 15 years and cirrhosis of liver with a history of haemoptysis 5 years back. Hence the life assured was well aware that he was not of good health and he was suffering from diabetes and liver disease at the time of taking policy. But in the proposal form, all health related questions were answered as if he is of good health and not taken any treatment for any disease before. As the pre-proposal illness was willfully suppressed, the repudiation is to be upheld. This being a unit linked policy, the complainant is eligible to get the savings portions which the insurer has already agreed to pay.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-300/2008-09

Smt.C.P.Sreeja

Vs

LIC of India

AWARD DATED 20.01.2009

The complainant's husband, Late Shri P.V.Mohanan, was issued with a life insurance policy for an assured sum of Rs.30,000/- on the basis of a proposal submitted on 17.01.2005. He died on 27.09.2006 while undergoing treatment at Kasthurba Hospital, Manipal, on account of increased intracranial pressure, diabetes and nephropathy. The claim was repudiated on the ground that the policy was obtained by suppressing some pre-proposal illness. Insurer has produced hospital records of treatment taken as in-patient from Manipal Hospital from 31.05.1991 to 05.06.1991. He was treated there for diabetes and pulmonary tuberculosis. Even after discharge, he was

asked to continue physiotherapy and put up cocked up splint right wrist and hand. Hence it is clear that even after discharge from hospital, he was under active treatment. But all the questions in the proposal were answered as if he was of good health and never undergone treatment for any illness. Insurer was able to prove that the policy was obtained by willfully suppressing some material fact. The repudiation has to be upheld and complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-494/2008-09

Shri Harshadrai J.Malaviya

Vs

LIC of India

AWARD DATED 26.03.2009

The complainant's wife, Smt.Anjana Malaviya, was covered under a policy for sum assured of Rs.20,000/-, which was allowed to lapse and then revived on 04.04.2003. The policy again lapsed and was revived on 23.08.2007. The insured died on 05.10.2007 while undergoing treatment for kidney disease. The claim was repudiated on the ground that the insured died due to a pre-existing disease which was not disclosed at the time of taking policy. As the policy was taken by non-disclosing pre-proposal illness, the contract has been null and void and as the policy has acquired paid up value, the insurer has settled the paid up value and accrued bonus under the policy.

The policy commenced on 28.10.1998. The proposal was submitted on 20.10.1998. All the health related questions were answered as if the insured was hale and healthy at the time of taking the policy and she has not undergone treatment for any illness. The hospital records produced show that she was under treatment of nephrology department of Lisie Hospital. Renal biopsy was taken on 19.02.1997. Thereafter, she was under continuous treatment for kidney problems till her death. While taking the policy, she was very well aware that she was a patient suffering from kidney disease. She died due to this illness. As the policy was taken by suppressing some material information fraudulently, the decision of the insurer in repudiating the claim cannot be said to be illegal. As the policy has already acquired paid up value, the insurer had paid the paid up value with accrued bonus. Hence nothing more is payable under the policy and the complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-009-377/2008-09

Smt.Jijoe James

Vs

Bajaj Allianz Life Insurance Co.Ltd.

AWARD DATED 27.01.2009

The complainant's husband was issued with a Unit Gain Policy for a sum assured of Rs.5,00,000/- with an annual premium of Rs.50,000/-. It was issued on 07.09.2007 on the basis of a proposal submitted on 31.08.2007. The insured died on 06.03.2008 on account of cardiac arrest due to myocardial infarction. The claim was repudiated on the ground that at the time of taking the policy, the insured was a known diabetic and this was not disclosed in the proposal form. It was submitted by the complainant that her husband was never a diabetic patient and he has not taken any treatment for diabetes.

LA died on 06.03.2008 due to myocardial infarction. But he was earlier admitted in Indira Gandhi Hospital, Kadavanthra on 24.10.2007. As per hospital records produced, for this treatment, he was suffering from diabetes since one year. This information was given to the treating doctor by the patient himself. Even though blood sugar was not tested at that time, he was advised to follow diabetic diet. This itself shows that, at the time of admission on 24.10.2007, he was a known diabetic. Dr.Ramakrishnan of Cochin Hospital has issued a certificate that Shri Sohan Antony was treated as IP from 18.08.2006 to 02.03.2007 for various minor illnesses. From the hospital records produced, it can very much be inferred that the insured was a diabetic patient one year prior to his admission on 24.10.2007. All the health related questions in the proposal form were answered as if he is of good health and not taken any treatment for any illness. As the insurer was able to prove with clear evidence that the policy was taken by suppressing pre-proposal illness, the repudiation is to be upheld.

However, this is a Unit Linked policy. A portion of premium paid is invested in units for the benefit of the insured. The nominee is eligible for value of units as on the date of intimation of death. The insurer informed that the amount works out to Rs.44,060/-. An award is, therefore, passed for this amount with interest @ 8% p.a. and a cost of Rs.1,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-284/2008-09

Smt.K.P.Remarenjini

Vs

LIC of India, Kozhikode

AWARD DATED 03.12.2008

The complainant's husband, Late Shri C.Kunhiraman, was an insurance agent. He was admitted to Group Insurance Scheme covering a sum of Rs.5 lakhs on payment of premium of Rs.1,200/-, which was deducted from his commission on 12.01.2007. He died on 17.01.2008 after completion of age 65. The claim was repudiated on the ground that as per policy condition, the coverage ceases on completing age 65. The date of birth of the insured being 02.11.1942, he completes 65 years of age on 02.11.2007. As per Cl.11[7] & [8] of the rules governing the scheme, the death benefit is payable in case of death prior to terminal date only. The terminal date is the date on which the insured completes 65 years. The insured died on 17.01.2008. There is no dispute to the fact that he died after completing 65 years of age. As the policy condition is very specific with regard to its benefits, the complaint is unsustainable and is, therefore, **DISMISSED.**

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-398/2008-09

Smt.K.Shaheena

Vs

LIC of India

AWARD DATED 26.03.2009

The complaint is against repudiation of claim under life insurance policy. The complainant's husband was issued with a policy with date of commencement 28.12.2004. The insured expired on 05.09.2007 due to liver cirrhosis and upper GI bleed. The claim was repudiated on the ground that at the time of taking policy, the insured was under treatment and the policy was obtained without disclosing this material information.

The policy commenced w.e.f. 28.12.2004 and proposal was dated 31.12.2004. The insured die on 05.09.2007 due to GI bleed and liver cirrhosis. The patient was under continuous treatment from Al-Shifa Hospital, Perinthalmanna. In the hospital treatment certificate, it is stated that cirrhosis of liver was first diagnosed on 27.12.2004. Then he was under the treatment of Dr.Saju Xavier. He underwent endoscopy and sclerotherapy. The hospital records are very clear that at the time of submitting proposal on 31.12.2004, he was under active treatment of Al-Shifa Hospital for GI bleed and he was well aware of the illness. But all the health related wquestions have been answered as if he was in good health and never taken treatment for any illness. As the insurer was able to prove with clinching evidence that the policy was obtained fraudulently by non-disclosing pre-proposal illness, there is no reason to interfere in the decision of the insurer. The complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-401/2008-09

Smt.Kavitha Gireesh

Vs

LIC of India

AWARD DATED 05.02.2009

The complainant's husband had taken a money back policy for a term of 25 years for a sum assured of Rs.75,000/- w.e.f. 26.10.2004. The policy was allowed to lapse w.e.f. January 2006 and was later revived on 09.09.2006 by remitting all arrears of premia, on the strength of a declaration of health. The insured died on 28.10.2007. As the claim was repudiated, the nominee under the policy approached this forum for justice.

It was submitted by the insurer that the policy was revived on the strength of a declaration of health that he is not suffering from any illness or has taken any treatment for any illness from date of proposal to the date of revival. The insurer has produced a discharge summary from St.James Hospital which shows that he was treated at the Department of Cardiology as in-patient from 17.04.2006 to 22.04.2006. The diagnosis made was CAD. He was referred to higher centre for further investigation. From this, it was clear that he was diagnosed to have severe heart problem at least from 17.04.2006. But the policy was revived on 08.09.2006 by suppressing this material information and hence, the revival is null and void and they are not liable to honour the claim.

It can be seen that the insurer was able to prove with clinching evidence that the policy was revived on the strength of a false declaration of health. However, Supreme Court in Mithoolal Nayak Vs LIC and also High Court of Kerala in Sosamma Punnan Vs LIC has made it clear that the insurer cannot repudiate a claim after 2 years of commencement of policy merely for the reason that the policy was revived on the basis of a false declaration of health. In the light of ruling of Hon.Supreme Court & High Court of Kerala, the repudiation is to be set aside and an award is, therefore, passed to pay the claim under the policy with 8% interest p.a. from the date of claim till payment and a cost of Rs.1,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-402/2008-09

Smt.Lissy Cheriachan

Vs

LIC of India

AWARD DATED 12.02.2009

The complainant's husband was issued with a Jeevan Anand Policy w.e.f. 28.02.2003. The policy was allowed to lapse due to non-payment of premium since November 2003 and was revived on 30.06.2004. The insured died on 28.05.12.2006 due to chronic liver and kidney diseases. The claim was repudiated on the ground that the policy was obtained and revived by non-disclosure of pre-proposal illness. Also the insured was a chronic alcoholic, which he had not disclosed at the time of taking policy.

It was submitted by the complainant that her husband has paid all the premia under the policy till his death and hence, repudiation is illegal and cannot be justified. The discharge summary dated 30.10.2002 was produced which shows that he was admitted on 24.10.2002 and discharged on 30.10.2002. He was admitted there for evaluation of chest pain. Though various tests were taken, they were found negative. It was also stated that he was a chronic alcoholic and a smoker. The letter of Dr.Tony Mathew also shows that the life assured had been admitted 6 times under cardiology department and 4 times under department of medicines. But in the proposal dated 29.01.2007, and health declaration dated 28.06.2004, all the health related questions were answered as if he is of good health and never taken treatment for any illness before taking policy and also he is not alcoholic. As the insurer was able to prove that the policy was effected by

non-disclosing some material information, the repudiation has to be upheld. However, it is to be noted that more than 3 years premium stands paid under the policy and hence, the policy has acquired paid up value. An award is, therefore, passed directing the insurer to pay the acquired paid up value and accrued bonus under the policy.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-283/2008-09

Shri M.Sasidharan Nair

Vs

LIC of India

AWARD DATED 05.01.2009

Pursuant to proposal dated 26.01.2006, the complainant's wife was issued a life insurance policy for a sum of Rs.5 lakhs. She expired on 16.8.2007. The claim was repudiated on the ground that policy was obtained suppressing pre-proposal illness. The policy had run only 1 ½ years and hence Sec.45 of Insurance Act will not apply. Hospital records produced show that the deceased life assured was under treatment since 07.08.2004 from Cochin Hospital. She had diabetes mellitus and uterus fibroid for 3 years, SLE for one year, HTN and APD for 4 months. From the hospital records produced, it is very clear that the insured was having diabetes and fibroid uterus at the time of taking policy and the insured was well aware of it. The policy was obtained by suppressing these facts, which are material to the insurer in assessing risk. In the proposal form, all the health related questions are answered as if she was of good health and not taken any treatment for any illness before. As material facts have been willingly suppressed for obtaining policy, the repudiation has to be upheld and complaint is **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-287/2008-09

P.Leela

Vs

LIC of India

AWARD DATED 09.02.2009

The complainant's husband, Shri Venugopalan, was issued with a life policy w.e.f. 06.08.2006 for a sum assured of Rs.50,000/-. He died on 07.05.2007. The claim was repudiated on the ground that the policy was obtained by non-disclosure of some material information. It was submitted by the insurer that in 2001, he had a hip replacement surgery and he was under treatment for knee pain till October 2006. The proposal was dated 06.08.2006 and this fact was not disclosed in the proposal. As material facts have been suppressed, they have repudiated the claim treating the policy as VOID. The complainant had admitted that the insured had undergone hip replacement surgery in 2001. As this was 5 years back, they have preferred not to disclose the same and also they have destroyed all the hospital records.

The insured died within 1 year of commencement of policy and hence, protection of Sec.45 of Insurance Act will not be available. The insurer was able to prove that the life assured had undergone hip replacement surgery in 2001 and after that, he was under continuous treatment till his death. But all the health related questions were answered as if he is of good health and never taken treatment for any illness earlier. The complainant herself had admitted that the insured was having pre-proposal illness. As the policy was obtained by suppressing a material fact, the contract has been VOID and hence, repudiation has to be upheld. The complaint is, therefore, **DISMISSED.**

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-397/2008-09

Smt.Rasiya

Vs

LIC of India

AWARD DATED 09.02.2009

The complainant's husband Late Shri Ammedkoya M.P. had taken 2 policies. The first policy was issued on 06.09.2005 for an assured sum of Rs.1,10,000/-. The second proposal was submitted on 04.11.2005 through another agent for a sum assured of Rs.2,00,000/-. The LA died on 20.07.2007. The claim in respect of the second policy was repudiated on the ground that, while taking the second policy, the existence of the first policy was not disclosed. Had it been

disclosed for the purpose of underwriting, the total sum assured will be taken, which require special report, and hence, underwriting decision would be different. However, it was submitted by the complainant that her husband was an illiterate and the proposal form was filled by the agent. It is not proper to punish a poor family for a mistake committed by the agent.

The only ground for repudiation is that non-disclosure of existing policy effected the underwriting decision of insurer as the total sum assured exceeds Rs.3,00,000/-. If the total sum assured was Rs.3,00,000/-, there will not be any change in underwriting standards. Policy would have been issued for a total sum assured up to Rs.3,00,000/- under the same terms and conditions. If the total sum assured is only Rs.3,00,000/-, there will not be any material suppression. Here the sum assured is Rs.3,10,000/- only. Hence there is no justification in repudiating the entire claim. If the total sum assured is limited to Rs.3,00,000/-, justice would be done to the insured and no prejudice would be caused to the insurer. Hence an award is passed directing the insurer to pay all the benefits under the policy treating the sum assured as Rs.1,90,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-423/2008-09

Smt.Remabhai Amma

Vs

LIC of India

AWARD DATED 12.03.2009

The complainant's husband, Shri Janardhanan Pillai, was issued with a life insurance policy for an assured sum of Rs.55,000/- on the basis of proposal submitted on 09.05.2007. He died on 24.12.2007 while undergoing treatment at RCC, Thiruvananthapuram. The claim was repudiated on the ground that while submitted the proposal on 09.05.2007, he was under treatment of tongue cancer and he was well aware that he was suffering from carcinoma tongue, which he had

concealed while taking the policy. As the policy was obtained by non-disclosing material facts fraudulently, the contract has become null and void and nothing is payable under the policy.

It is a well settled fact contract of insurance is a contract of utmost good faith and any non-disclosure of material facts would render the policy void ab initio. The proposal was completed on 09.05.2007 and the insured died on 24.12.2007. The patient registration form produced from RCC Thiruvananthapuram shows that he was registered as a patient on 03.05.2007 and pursuant to that, he was admitted on 11.05.2007 for further treatment. It is clear that the policy was taken on 11.05.2007 after registering in the RCC on 03.05.2007. Hospital records show that he was on treatment from Medical College Hospital, Thiruvananthapuram from April 2006 onwards. But all the questions in the proposal has been answered as if he is of good health and he has not undergone treatment for any ailment before taking the policy. As the insurer was able to prove with clinching evidence that the policy was taken while undergoing treatment for carcinoma tongue at an advanced stage, the complaint stands **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-376/2008-09

Smt.Reshmi Raveendran

Vs

LIC of India

AWARD DATED 26.03.2009

The complainant's husband, Late R.Raveendrakumar, had 3 policies from LIC of India. He died on 24.11.2005 in a train accident. The claim in respect of Anmol Jeevan Policy for Rs.10,00,000/- was partially repudiated on the ground that the insured overstated his come in the proposal. It was submitted by the insurer that the salary income of the insured was less than Rs.5,000/- per month. In order to obtain a policy for a high sum assured, he has overstated his income. Had he disclosed his correct income, the policy for a sum assured of Rs.10,00,000/- would not have been issued to him. Hence the insurer allowed only 25% of the sum assured. It was submitted by the complainant that her husband was having other income apart from his salary income. He was doing some contract work for the very same company where he was

working and thereby earning a handsome income. There is no mis-statement of income and hence, she is eligible to get full sum assured. Her husband was doing contract work in the name of 'Athira Enterprises'. Athira and Ashish are their children and both of them are minors. Actually the business was done by her husband only. She has also produced bank statements showing various transactions in the name of the above firm. PAN Card was also produced. She has also produced birth certificate of her children to shot that both of them are their children and also, they are minors. Hence there is enough reason to believe that the insured was having income other than the salary income. In the Office note dated 21.06.2006 and also in the self contained note, it is not stated what was the real income of the life assured and to what extend, there was overstatement. It looks that these statements are vague as anything. The complainant is, therefore, eligible for the full sum assured and an award is, therefore, passed directing the insurer to pay the full sum assured with 8% interest p.a.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-002-209/2008-09

Smt.R.S.Shermila

Vs

SBI Life Insurance Co.Ltd.

AWARD DATED 29.10.2008

The complainant's husband Shri Anilkumar, an ex-serviceman, has availed a housing loan from SBT, Kottarakara. He was admitted to the cover of home loan group insurance scheme on submission of a health declaration dated 01.02.2005. He died on 22.10.2007. The claim was repudiated on the ground that the policy was obtained by giving a false declaration. It was submitted by the insurer that the deceased was a known operated case of left frontal low grade astrocytoma in 2004. But he has not disclosed the same in the declaration dated 01.02.2005. As the policy was obtained by non-disclosing some material fact, the contract has become null and void and hence, they are not bound to pay the claim. It was submitted by the complainant that though her husband had undergone a surgery in 2004, he was of good health at the time of signing the proposal form and declaration of health. Even after surgery, he continued in military service. Had he been not medically fit, he could have boarded out from military service on health ground. Hence the repudiation is unjust and she is eligible for the benefits under the policy.

The insured died on 22.10.2007 after 2½ years from the date of commencement of policy. As per Sec.45 of Insurance Act, in order to enable the insurer to repudiate a claim after 2 years, insurer has to prove that some material facts have been fraudulently concealed while taking the policy. The policyholder had given just a declaration that "I am of sound health and do not suffer any critical illness or any condition requiring medical treatment for a critical illness as on date". The declaration is only regarding his medical condition as on date of signing declaration. Policy condition further says that if he is having any critical illness, he can join the scheme only after 6 months. Here policy was taken after 6 months of operation in 2004. The declaration is given in the printed format attached with the proposal. No space is given to write any other information regarding his health. Declaration is only about his health condition as on date of signing. There is no case by the insurer that he was suffering from the illness even after surgery in 2004. He continued in military service after surgery. Hence it cannot be said that he had concealed any material information while taking the policy. The repudiation is, therefore, set aside and an

award is passed directing the insurer to pay the outstanding loan amount, as on date of death, of Rs.2,83,817/- together with interest and a cost of Rs.2,000/-.

INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-008-228/2008-09

Shri Sabu Mathew

Vs

Kotak Mahindra Old Mutual Life Insurance Limited

AWARD DATED 16.12.2008

Pursuant to proposal dated 15.03.2007, the complainant's wife, Smt.Suja Pallattumadathil Kuruvila, was issued a policy of Kotak Mahindra Insurance Co. w.e.f. 31.03.2007. She dies on 29.04.2007 due to Systematic Lupus Erythomatosis [SLE] . The claim was repudiated on the ground that at the time of taking policy, she was suffering from the same disease and the policy was obtained by suppressing the illness. As the suppression is a material nature, the policy has been declared null and void. The hospital records produced very well show that she was suffering from SLE at the time of taking policy. The summary sheet of treatment record from Medical College Hospital also shows that she was diagnosed to have SLE since 13 years. During the time of hearing, complainant admitted that she was having SLE at the time of taking policy. But his contention is that the proposal form was filled by the Agent who was very well aware of the illness. As the agent has filled the form, they are not responsible for the non-disclosure.

There is no dispute to the fact that the insured was having pre-proposal illness and she died of the same illness. But the complainant's case is that the proposal was filled by the Agent. But the proposal was signed by the Insured. Having signed the proposal, without correcting the wrong answers, they cannot now turn round and say that the proposal form was filled by somebody else. As the insurer was able to prove that material information was suppressed while taking policy, the repudiation has to be upheld and complaint is **DISMISSED.**

INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-009-227/2008-09

Shri Sabu Mathew

Vs

Bajaj Allianz Life Insurance Co.Ltd.

AWARD DATED 16.12.2008

The complainant's wife, Smt.Suja, had taken a Cash Gain Economy Policy for a sum assured of Rs.3 lakhs w.e.f. 28.04.2004. She died on 29.04.2007 on account of pneumonia with SLE. The claim was repudiated on the ground that the policy was obtained by suppressing pre-proposal illness. The insured was suffering from SLE for 7 years while taking policy. During the time of hearing, it was admitted by the complainant that, at the time of taking policy, his wife was having SLE, but this fact was known to the agent who filled in the proposal form. It was not the insured but the agent who concealed the pre-proposal illness. Also she died due to pneumonia and not due to SLE. The insurer submitted that the doctor has certified that she had SLE for the last 12 years. They also produced Executive Health Check-up Report from Lakeshore Hospital to show that she was suffering from SLE. Dr.Sharma has also certified that she was under his treatment for the last 3 years. The insurer was able to prove that at the time of taking policy, the insured was suffering from SLE and she died due to SLE and pneumonia. While signing the proposal form, she was aware of the illness and hence, the non-disclosure was made fraudulently to obtain the policy. The contention that the non-disclosure is not binding on the insured as proposal form was filled in by the agent cannot sustain, as the proposer has to correct all wrong answers before signing the proposal. Having signed the proposal form, one cannot turn round and say that the proposal form was filled in by somebody else. As the insurer was able to prove that material fact was concealed while taking policy, the repudiation is to be upheld and complaint is **DISMISSED.**

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-008-447/2008-09

Smt.Sajitha Sreeram

Vs

Kotak Mahindra Old Mutual Life Insurance Co.Ltd.

AWARD DATED 11.03.2009

The complainant's husband, Shri Sreeram, was issued with a Life Insurance policy for Rs.1,12,500/- w.e.f. 14.01.2008, pursuant to proposal dated 27.12.2008. On 31.01.2008, he was admitted to Jubilee Mission Hospital and on 04.02.2008, he was referred to Lakeshore Hospital, wherefrom he expired on 09.03.2008. The claim was repudiated on the ground that the death was due to some illness which was in existence at the time of taking the policy. It was submitted by the insurer that the insured was admitted in the hospital within 15 days of taking the policy for treatment of cancer in the advanced stage. So they want to know exactly on what date the illness has set in. The patient was first admitted in Jubilee Mission Hospital and then, he was taken to Lakeshore Hospital. The certificate from Lakeshore Hospital states that the patient became aware of the illness only in March 2008. In the claim form submitted, it is stated that the patient became aware of it on 04.02.2008. As there is contradictory statement and also a very early claim, the insurer has to ascertain the exact date of onset of illness for which they called for all indoor papers from the hospital, which was not produced by the complainant.

It is to be noted that what is important is not the exact date of onset of disease but when the insured actually came to know about the illness. The reports of Jubilee Mission Hospital states that the life assured consulted on 19.01.2008 i.e., within 5 days of taking the policy, for cough and dyspnoea. As per report of Lakeshore Hospital, the insured was suffering from cough and dyspnoea, since one month prior to date of admission is 04.02.2008. If the month is taken as exactly one month, it relates to 04.01.2008, which is a date after taking the policy. Also it is to be noted that cough and cold is not a disease to be disclosed. As per records of Lakeshore Hospital which is a reputed hospital, the illness was diagnosed only in March 2008. Hence there is no reason to believe that the insured was aware that he was suffering from carcinoma at the time of the taking the policy. Hence repudiation is to be set aside and an award is, therefore, passed directing the insurer to pay the assured amount of Rs.1,12,500/- with 8% interest p.a. and a cost of Rs.1,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-189/2008-09

Smt.Saraswathy Murugan

Vs

LIC of India, Thiruvananthapuram

AWARD DATED 16.10.2008

The complainant's husband was issued with a life insurance policy for an assured sum of Rs.3 lakhs w.e.f. 28.10.2003. The insured died on 16.01.2006 following a road traffic accident and the claim was repudiated on the ground that the policy was taken by non-disclosing some pre-existing illness. The claim was repudiated as the insurance company got some evidence that the life assured was suffering from chronic liver disease 3 years prior to date of admission in the hospital. The insurer produced copy of hospital records from Cosmopolitan Hospital and Medical College Hospital. It was submitted by the complainant that at the time of taking policy, her husband was of good health and he didn't make mis-representation regarding his health.

The decision of insurer in repudiating the claim was mainly based on the hospital reports from Cosmopolitan Hospital and Medical College Hospital. The discharge summary from Cosmopolitan Hospital relates to the period 6.7.2005 to 12.07.2005 which states that the patient was a known case of liver cirrhosis and DM. But the period of illness is not given and also whether he has taken any treatment for the same. In the hospital records of Medical College, it was stated that the patient was having liver disease for 3 years. But it is to note that the policy has already run for more than 2 years. As per Sec.45 of Insurance Act, in order to enable the insurer to repudiate the claim, insurer has to prove that insured has fraudulently suppressed some material facts and insured knew at the time of making such statement, that such statement was false. The above 2 records are not sufficient to prove that the insured had suppressed some material facts. Insurer was not able to produce any records of having treatment before taking policy. The complainant had stated that the statement was given by some of his friends. On going through the hospital records, it can be seen that the patient was semi unconscious and he was not in a position to give a correct account his health condition. As the insurer has failed to prove with clinching evidence that material facts are suppressed while taking policy, the repudiation is set aside and an award is passed directing the insurer to pay the claim amount with interest at 8% p.a. and a cost of Rs.1,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-002-449/2008-09

Smt.Shaila Beegum M.

Vs

SBI Life Insurance Co.Ltd.

AWARD DATED 11.03.2009

The complainant's husband was issued with a policy for 10 years w.e.f. 8.7.2005 for a sum assured of Rs.50,000/-. The policy had once lapsed on account of non-payment of premium and policy was later revived by paying all arrears of premium. But thereafter, the premium due on 09.1.2007 was not paid. The insured died on 20.02.2007. The insurer repudiated the claim on the ground that at the time of death, the policy was in a lapsed condition. It was submitted by the insured that the notice for payment of premium was received late and by the time, the insured died, that is why they could not remit the premium.

There is no dispute to the fact that at the time of death, the policy was in a lapsed condition. The premium due 09.01.2007 has not been paid. LA died on 20.02.2007. Premium due 09.1.2007 was not paid even during the grace period of one month, which expired on 9.2.2007. As the policy was in a lapsed condition, as on the date of death, the insurer is not liable to make any payment under the policy. The complaint is, therefore, **DISMISSED**.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-258/2008-09

Shri Sojen Joseph

Vs

LIC of India

AWARD DATED 26.11.2008

The complainant along with his wife had taken a Joint Life Policy w.e.f. 28.03.2004 and his wife died on 02.03.2007 due to astrocytoma. The claim was repudiated on the ground that right from the year 2000, the deceased was suffering from cancer and the policy was obtained by suppressing the fact of such a serious illness. As the policy was obtained by fraudulent means, they are not bound to honour the claim. It was submitted by the complainant that he was not aware whether his wife was a cancer patient. The insured died on 02.03.2007. Records produced by insurance company shows that the insured underwent left side paramedian sub-occipital craniectomy with excision of tumor from Gwalior on 10.02.2008. External RT was given to her from 07.03.2000 to 14.03.2000. She was again treated for the same disease at Thiruvananthapuram during 2006. Also she had died on 02.03.2007 due to the same disease. Hence the insurance company was able to prove with clinching evidence that at the time of taking the policy, the insured was suffering from astrocytoma and she was well aware of the illness. But all the health related questions in the proposal are answered as if she was of sound health and never suffered any illness nor hospitalized. As the policy was taken suppressing a material fact, the policy has become null and void and the repudiation is to be upheld. The complaint is, therefore, **DISMISSED.**

INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-253/2008-09

Smt.E.S.Sreekala

Vs

LIC of India

AWARD DATED 09.12.2008

Pursuant to proposal submitted on 17.08.2006, a policy under Endowment Assurance Plan for 15 years for a sum assured of Rs.50,000/- was issued to Shri P.K.Ayyappan who died on 06.03.2007, within 6 months & 18 days of taking policy. The claim was repudiated on the ground that policy was obtained by non-disclosing some pre-proposal illness. It was submitted by the insurer that before taking the policy, the insured had undergone treatment for chest pain by admission in Amala Cardiac Centre from 22.05.2005 to 28.05.2005. Had the information been disclosed in the proposal, special reports might have been called for and underwriting decision would be different. As the information concealed is of a material nature, and death occurred within 6 months & 18 days of taking policy, they are not in a position to honour the claim. The treatment records from Amala Cardiac Centre produced shows that the insured was treated there on admission for CAD, RVMI, A/c IW, etc. In the claim form B also, the doctor has certified that the insured had undergone treatment for such illness. In the complaint and in the appeal before insurer also, the complainant had admitted that her husband had taken treatment in Amala Hospital during the period 2005. During the time of hearing, she had admitted that he had undergone treatment for diabetes and also for mental tension in the year 2004, apart from the treatment taken in 2005. But all the health related questions in the proposal are answered as if he was in good health at the time of proposal and had never undergone treatment for any illness. The insurer was able to prove with clinching evidence that the policy was obtained by non-disclosing some material information. The repudiation cannot be said to be faulty. The complaint is, therefore, **DISMISSED.**

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/21-001-348/2008-09

Smt.T.S.Shailaja

Vs

LIC of India, Ernakulam

AWARD DATED 21.01.2009

The husband of the complainant had taken a Money Back policy for a sum assured of Rs.1,00,000/- w.e.f. 25.11.1993. The policy was allowed to lapse since February 2005 and was revived on 27.11.2006 on the strength of a declaration of health dated 25.11.2006. The LA expired on 04.09.2007 after duration of 9 months from the date of revival. The claim was repudiated on the ground that the revival was obtained by a false declaration of health. At the time of declaration, he was not in good health condition.

The policy was revived on 27.11.2006 on the strength of a declaration of health dated 25.11.2006 declaring that he is of good health and has not undergone treatment for any disease after taking policy, but before the date of declaration. Insurer was able to produce records of hospital treatment from 30.12.2999 to 03.01.2000 and from 15.10.2002 to 24.10.2002. Insurer was able to prove with clear evidence that the insured had undergone treatment for some serious ailment before revival and policy was revived by suppressing the material information. Hence revival was done by suppressing some material information. But it is to be noted that in Mithoolal Nayak Vs LIC of India [Supreme Court] AIR SC 814 and in Sosamma Punnan Vs LIC of India [High Court of Kerala], it was held that the policy cannot be repudiated merely on the ground that material information was suppressed at the time of revival even if death occurred within 2 years of revival. For the purpose of interpreting Sec.45, the 2 year period has to be taken from the date of commencement and not from the date of revival. Hence the repudiation is not proper and award is, therefore, passed to pay the full claim amount with 8% interest p.a. and a cost of Rs.2,000/-.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/GI/14-012-347/2008-09

Smt.V.G.Indu

Vs

ICICI Lombard General Insurance Co.Ltd.

AWARD DATED 17.02.2009

The complainant's husband and herself had availed a housing loan from ICICI Home Finance Co.Ltd. through ICICI Bank. It provides Personal Accident coverage in case of death of the first applicant, by accident. The husband of the complainant, the first applicant of the loan, met with an accident on 26.08.2004 and expired on 02.09.2004. The claim was repudiated on the ground that at the time of accident, the policy has not commenced. The complainant's husband initially had a personal accident insurance with National Insurance Co.Ltd. Subsequently it was changed to ICICI. Hence the liabilities depend upon date of occurrence of risk. The insurer produced copy of policy which shows that coverage started only from 01.09.2004. But the accident took place on 26.08.2004. That means at the time of accident, there was no insurance with ICICI. The complaint, therefore, stands **DISMISSED**.

KOLKATA

Kolkata Ombudsman Centre

Case No. 96/21/003/L/05/08-09.

Sri Gurupada Mahato
Vs.

TATA AIG Life Insurance Co. Ltd.

Award Dated : 01.10.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

Rang Lal Mehta, father of the complainant, purchased policy No. C-201772690 under 20 years Golden Life Term Plan paying risk premium on 17.05.2005. He met with an accident on 01.06.2005 and expired on 03.06.2005 at Purulia Hospital. Death Claim including AB for a total sum of Rs.9,00,000/- was repudiated by the Insurer. The complainant has not submitted P-Forms.

They mentioned in their SCN that on investigation it was found that the Deceased Life Assured (DLA) was suffering from chronic Pyrexia (Malarial Meningitis) and was under treatment of Dr.

H. Mahato since 07.03.2002. This pre-existing disease was not mentioned by the DLA in his policy application form. So they repudiated their liability for paying the death claim.

HEARING:

After admitting the complaint, a hearing was fixed and both the parties attended. The representatives of the insurance company have stated that the Deceased Life Assured (DLA) took a policy under Golden Life Term Plan for a sum assured of Rs.3,00,000/-. As per the terms of the policy, in case of accidental death of the DLA, the nominee of the DLA will get 3 times the sum assured. In this case, it was found that the DLA died of head injury on 3rd June, '05 as a result of an accident on 1st June, '05. The nominee claimed 3 times the assured amount and since the policy was only few months' old, the insurance company had investigated the same. As per the investigations, they have obtained irrefutable proof that the assured had been suffering from chronic Pyrexia (Malarial Meningitis) and he was under the treatment of Dr. Haladhar Mahato since 07/03/02. Further, the representatives of the insurance company stated that the DLA did not reply to the questionnaire on health declaration properly with regard to item no.7. Though, the cause of death is not connected with the diseases with which he was suffering, according to them, the latest decision of Hon'ble Supreme Court in P.C. Chako & Ors, Appeal (Civil) No. 5322 of 2007, the insurance contract will be vitiated if there was deliberate wrong answer which has a great bearing on the contract. According to them, since the contract is ab initio void, they are not liable to pay the claim.

On the other hand, the complainant has stated that the DLA died due to an accident and there was no suppression of material facts with regard to the disease he was suffering before the inception of the policy as there was no connection between the disease and cause of death. He therefore requested that the claim may be settled.

DECISION:

The condition 7 mentioned under Health Declaration reads as under :

"Do you have any medical condition or symptoms or are you taking medicines or a doctor attended to you for any condition other than cold, influenza or employment related examinations during the past 5 years ?

For this question, the life assured has answered 'No' in spite of the fact that he was being treated by a doctor from March,'02 for Chronic Pyrexia. The certificate of Dr. Haladhar Mahato has been produced. We are unable to agree with the arguments that cause of death was different from the disease suffered by the DLA before the inception of the policy and therefore, incorrectly mentioning 'No' to the condition 7 mentioned above does not jeopardize the contract.

The argument by the complainant that there was no suppression of material facts as there was no connection between the cause of death and alleged suppression of disease existing prior to inception of the policy, we have to state that in a decision given by National Consumer Forum, it

was held that there need not be any connection or nexus between the disease before the inception of the policy or cause of death since the suppression of material facts had occurred before the inception of the policy. According to the Hon'ble National Forum, the insurance contract was vitiated.

Respectfully following the ratio of the Hon'ble Supreme Court mentioned above and holding that non-mentioning of correct state of heath which was material for determining the issue of insurance policy, we hold that the insurance company was correct in repudiating the claim treating the insurance contract as ab initio void. Under this circumstances, we do not have any other alternative but to dismiss the complaint without any relief to the complainant.

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Kolkata Ombudsman Centre

Case No. 97/21/001/L/05/08-09

Smt. Namita Samanta

Vs.

Life Insurance Corporation of India.

Award Dated : 01.10.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the widow of Ashok Samanta, a Goldsmith by profession, and nominee for policy no. 418468959 with DOC 28.03.2006 for SA Rs.2,00,000/- under T/T 178-60-20. The Life Assured (LA) expired on 17/01/2007 at the age of 41 years. The policy was in full force on the date of death. The nominee submitted claim forms but stated that while death claim of 2 earlier policy Nos. 413878329 and 414611721 of the same LA were settled, the claim against policy no. 418468959 was repudiated. Also the repudiation was upheld by LICI Zonal authority.

The complainant stated in her letter to Zonal Manager that her husband did not make any incorrect statement about personal health in the proposal form. He suffered from occasional pain in neck due to nature of his profession but he had never been hospitalized or undergone long term treatment. He had no problem of liver, stomach, heart, lung or kidney, Diabetes Mellitus or

Cancer etc which are required to be answered in the proposal form. According to her if the DLA intended to deceive, he would not have taken a pension policy and would not go for treatment of eyes if he had any prior apprehension of tumor or of Cancer. Lastly, she applied for special consideration of the financial hardship faced by the widow. However, she did not submit P Forms.

Cause of repudiation was suppression of neck pain and other ailments as well as not mentioning previous treatment particulars. The SCN shows that the primary cause of death was Thalamic Glioma and secondary cause was Obstructive Hydrocephalus Respiratory Failure. The Deceased Life Assured (DLA) had pain in neck for last 2 years and was on medicine for Hydrothyroidism on replacement of right Haemifacial Spasm for many years. The Insurer felt that the ailment started since 12/2005 (before the commencement of risk). They repudiated the claim due to suppression of these material facts. They gave their consent for mediation by the Hon'ble Ombudsman.

HEARING:

In response to a notice of hearing, both the parties attended. The representative of the insurance company has filed form no.5152 in which three doctors who signed the forms have clearly stated that the disease mentioned above has not been contracted before 5 ½ months.

DECISION:

The policy was taken w.e.f. 28/03/06 and the LA expired on 17/01/07. According to the SCN, the DLA died due to primary cause of Thalamic Glioma and secondary cause was Obstructive Hydrocephalus Respiratory Failure. From the documentation submitted by the insurance authorities, we find that the reasons for repudiation are not tenable as the disease mentioned above was existing only after the cover of insurance started. Therefore, insurer's view that there was suppression of material facts in the proposal form, does not hold good. Under these circumstances, we have to hold that the insurance company was wrong in repudiating the claim. Therefore, we direct the insurance company to pay the claim as per terms and conditions

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Kolkata Ombudsman Centre

Case No.410/21/001/L/09/08-09

Smt. Sunita Prasad

Vs.

Life Insurance Corporation of India.

Award Dated : 16.10.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the wife of Gopal Prasad. The husband purchased policy no. 540428802 with DOC 28.01.1999 for SA Rs.50,000/- under T/T 14-05 at the age of 56 years. The Life Assured (LA) expired on 30.12.2000 at Apollo Hospital, Ranchi. The nominee submitted claim form but the claim was repudiated in the year 2002. She submitted the P-form by post which was received on 16.10.2008 after hearing.

Intervention was made with the insurer but we have not yet received any SCN or policy docket. The letter of repudiation dated 19.11.2002 stated that the Deceased Life Assured (DLA) suffered from Diabetes 20 years before proposal and was on medical leave for 55 days from 08.05.1996 to 11.07.1998 which was not disclosed. The complainant herself acknowledged long-existing diabetes. Thus according to them there was suppression of material facts which vitiated the contract of insurance.

HEARING:

In response to a notice of hearing on 16.10.08, only the representative of the insurance company attended. The complainant did not attend.

According to the representative of the insurance company, the DLA was on sick leave on various days described below and had obtained a certificate from Bharat Coking Coal Limited Hospital. The details are as under :-

i) He has taken leave from 8/5/96 to 17/5/96 and from 3/6/96 to 14/6/96 for treatment of hypertension and diabetes.
ii) From 16/04/97 to 25/04/97 he was suffering from jaundice with diabetes.
iii) From 30/6/96 to 12/7/98 he was suffering from U.T.I. with fever.
iv) From 20/9/99 to 29/9/99 he was suffering from sprain in the right ankle joint.

He stated that the policy was incepted on 28/1/99. According to him, the symptoms of hypertension and diabetes along with the jaundice have not been mentioned in the proposal while taking the policy w.e.f. 28/1/99. He stated that above evidence is irrefutable proof indicating that there was suppression of material facts in the proposal forms.

He further stated that the claim was repudiated by the LICI and on representation, the Zonal Claims Review Committee also upheld the repudiation made by the LICI on 19/6/03. Therefore, he stated that their repudiation was correctly done. The complainant did not attend but sent a letter dated 10/8/08 in the form of an appeal under the RTI Act, requesting that her case may be considered favourably.

DECISION:

From the above, it is clear that LICI has repudiated the claim due to the fact that there was definite suppression of material facts in the proposal form submitted by the DLA before the inception of the policy. The proof produced by the LICI clearly indicates that the DLA was suffering from DM and also jaundice for sometime which have not been mentioned.

The original application dated 26/09/06 of the complainant was closed as not maintainable due to the fact that the complainant did not send any representation to the LICI after it was finally repudiated by the Zonal Claims Review Committee. According to the LICI guidelines, the representation must be sent within one year after repudiation. Therefore, it was held to be time-barred.

However, she filed a representation before the Central Information Commission after a complaint under RTI Act dated 23/3/07 was received by CPIO on 2/4/07. This complaint was disposed of by the Hon'ble CIC, by their order dated 18/07/07 advising the complainant to file the first appeal before the appellate authority against the decision of CPIO.

Accordingly, she filed a letter requesting the insurance ombudsman to reconsider her claim against the insurance policy taken by her husband.

Though the matter does not pertain to information under the RTI Act, this office felt that in the interest of natural justice an opportunity should be given to the complainant and therefore, the original complaint was reinstated and admitted. After admitting the complaint, the notice of hearing was sent fixing the date of hearing on 16/10/08.

At the time of hearing, only the representative of the insurance company attended as discussed above.

Keeping in view the irrefutable proof that has been obtained by the LICI we are unable to agree with the request of the complainant for settling the claim or refund of the premiums that have been paid. We rely on the decision of the P.C. Chako & Ors Appeal (Civil) No. 5322 of 2007, in which the Hon'ble Supreme Court has stated that insurance contract will be vitiated if there are deliberate, wrong answers for the queries that have been mentioned in the proposal form. Therefore, there is no alternative but to confirm the decision of the LICI. However, keeping in view, the financial distress suffered by the above complainant, it is proposed to grant some ex-gratia payment as she has only claimed refund of premiums paid if in case the death claim is not payable. Therefore, we propose to grant the ex-gratia payment of Rs.10,000/- which will meet the ends of justice.

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Kolkata Ombudsman Centre

Case No. 268/21/001/L/07/08-09.

Smt. Shamama Eram

Vs.

Life Insurance Corporation of India.

Award Dated : 22.10.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death-claim.

The complainant is the widow of Zafar Ahmed and nominee for her husband's policy Nos. 414048634 and 418266529. The Life Assured (LA) expired on 10.03.2007 at the age of 43 years. The nominee submitted claim forms but the claim was repudiated and the repudiation was upheld by the insurer's Zonal Office. So she approached this Forum but did not submit P-Forms.

The cause of repudiation as per letter of repudiation and SCN is the suppression of Hodgekin's Lymphoma which first occurred in the year 2000. The Deceased Life Assured (DLA) did not mention treatment of the disease while reviving the policy no. 414048634 on 05.08.2004 as well as while submitting proposal for policy no. 418266529 on 28.03.2005. They repudiated the claim due to suppression of material facts.

HEARING:

In response to a notice of hearing, both the parties attended. The complaint was with regard to two policies – having nos. 414048634 (DOC 28/06/97) and 418266529 (DOC 28/3/05).

With regard to the first policy, the representatives of the insurance company has stated that the same was revived on 05/08/04. At the time of revival, the assured has given a declaration of good health without indicating any disease. The DLA was having Hodgekin's Lymphoma at the time of revival of the policy and he has not mentioned in the declaration of good health. Therefore, they held that there was suppression of material facts and they have therefore admitted the paid up value of the policy upto the date of revival. In the case of the 2nd policy, the proposal did not contain any details with regard to the status of the health and according to them, they have correctly repudiated the claim.

On the other hand, the complainant has stated that she was not in the knowledge that the diseases suffered were to be mentioned in the DGH and also in the proposal form respectively. She pleaded that she was having financial difficulties and therefore at least the premium paid by her husband be refunded.

DECISION:

From the documents available, it is clear that the DLA (Deceased Life Assured) did not disclose the serious ill health at the time of revival of the 1st policy and similarly, at the time of inception of the 2nd policy. The insurance company has correctly paid the paid up value of the 1st policy before the revival. Therefore, we confirm the repudiation on both the policies as there is suppression of material facts, regarding the status of the health at the time of revival and also at the time of the inception of the 2nd policy. The Supreme Court has clearly stated that contract of insurance company gets vitiated if there was suppression of material facts which would seriously affect the contract. Therefore, obviously, the contract of insurance is vitiated in this case.

However, keeping in view the financial distress and the amount of premium paid with regard to the policies at the time of revival and after the inception of the 2nd policy, we propose to grant certain ex-gratia payment to meet the ends of justice. Therefore, we direct the insurance company to pay an amount of Rs.25,000/- as ex-gratia payment. This amount should be paid within 15 days. Accordingly, the complaint is disposed of.

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Kolkata Ombudsman Centre

Case No. 198/21/001/L/07/08-09

Smt. Padma Mishra

Vs.

Life Insurance Corporation of India.

Award Dated : 06.11.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death-claim.

The complainant is the wife of Bikash Chandra Mishra and nominee for Policy No. 465478351 with DOC 28.03.2004 for SA Rs.71,000/- under T/T 14-16. The Life Assured (LA) purchased the policy at the age of 59 and the complainant confirmed his expiry although she did not furnish the date of death. The claim was repudiated and the decision of repudiation was confirmed by LIC's higher authorities.

The complainant felt that proper reconsideration was not done, the repudiation was highly arbitrary and unwarranted, not befitting an organization like LICI. According to her, no cogent evidence and reason for non-acceptance of personal history mentioned in the proposal form was given by the insurer and the proposer underwent medical check up by the panel doctor of LICI. According to her, the insurer cannot deviate from the legal liabilities for the claim payment. However, she did not submit P forms although a duplicate set of P forms were sent to her current address on the basis of her request.

The copy of the letter of repudiation shows that they had evidence of suppression of Renal Failure & Diabetes Mellitus two years before submission of proposal by the Deceased Life Assured (DLA). SCN was submitted on the date of hearing.

HEARING:

In response to a notice of hearing, both the parties attended. The representatives of the insurance company have submitted a self-contained note dated 4/11/08 on the date of hearing. According to them, the Deceased Life Assured (DLA) was an employee of South Eastern Railway and he had taken a policy for Rs. 71,000/- with DOC on 28/03/04. He took voluntary retirement w.e.f. 11/03/04 and thereafter, died on 10/02/05. The primary cause of death was renal failure. According to them, he was suffering from chronic renal failure along with DM. The proposal was not giving the true picture of the health as the assured suppressed the material facts with regard to the health at the time of giving the proposal.

On the other hand, the representative of the complainant stated that they do not have any medical history details and that she was not in the knowledge that the life assured was suffering from any disease before the inception of the policy. Therefore, she pleaded that the claim may be considered favourably.

The representatives of the insurance company were asked to show the evidence with regard to the existence of the disease prior to the inception of the policy. They have only got the claim forms in which the doctors have certified the primary cause and secondary cause of death and they do not have any certificate indicating the possible onset of disease. Therefore, they requested that they may be given some more time to investigate with regard to whether the life assured had taken any medical leave three years prior to the death and also find out whether they had any medical record available with the railway authorities.

DECISION:

Keeping in view the above, we propose to grant the request of the insurance authorities to investigate the claim and come to a correct conclusion with regard to the repudiation of the claim. They are directed to appoint an investigator and obtain evidence with regard to medical leave and with regard to availability of documents in respect of any chronic disease. This exercise should be completed within 30 days from the receipt of this order along with the consent letter. However, the complainant has right to revert back to this forum or go to any other forum

as deemed fit, if she is not satisfied with the decision of the insurance company. Accordingly, the complaint is disposed of.

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Kolkata Ombudsman Centre

Case No. 196/21/001/L/07/08-09.

Sri Nirmal Kumar Bhotica
Vs.

Life Insurance Corporation of India.

Award Dated : 14.11.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death-claim.

The complainant is the husband of Urmila Devi Bhotica and nominee for her policy no. 415359052 with DOC 29.12.2003 for SA of Rs.1,00,000/- under T/T 140-10. The Life Assured (LA) purchased policy at the age of 54 years and paid yearly premium for 3 years @ Rs.10,000/-. The complainant submitted death claim after expiry of the Life Assured (LA) (date of death not mentioned). The claim was repudiated and the decision of repudiation was upheld by LICI, Zonal Office.

The complainant stated in his letter to the Zonal Manager that the alleged suppression of Oral Sub-mucous Fibrosis, in the personal statement dated 25.03.2006, which was taken as the cause of repudiation is not correct because the Deceased Life Assured (DLA) was taken to Dr. T.K. Ghosh on 16.03.2006 who suspected OSF only. Thereafter they took the patient to a Specialist Doctor on 29.03.2006 (after submission of personal statement) who advised hospitalization and performed surgery. Thereafter, they also contacted Dr. Podder and Dr. Rati Bajpayee and finally the biopsy report of Roy Trivedi Diagnosis Lab dated 08.04.2006 confirmed cancer. He maintained that detection of this disease could not be made by the family members before receipt of the Specialist's diagnosis. He submitted P Form giving his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

Intervention was made with the insurer but we have not received any response till date.

HEARING:

In response to a notice of hearing, both the parties attended. According to the representative of the insurance company, the risk coverage under this policy was commenced on 29/12/03 and was revived on 25/03/06 as it was in lapsed condition from 29.01.2006 i.e., from 30 days after due date. Further, they stated that the Deceased Life Assured (DLA) was under treatment for Oral

Sub-mucous Fibrosis from 16/03/06 to 29/03/06 and Proliferative Malignant growth in the post part of tongue was diagnosed. She was taken to hospital on 31/03/06. The competent authority admitted the claim setting aside the revival dated 25/03/06. According to them, 80% of the surrender value + Bid value of units less surrender charges became payable. The Zonal Authorities confirmed the above decision.

On going through the policy condition, even if the revival is set aside, the amount payable would be 60% of the sum assured plus bid value of the units less surrender charges. The representatives of the LICI were asked to verify these facts.

On the other hand, the representative of the complainant has stated that his mother was only diagnosed with OSF and no cancer was diagnosed at the time of 1st visit to the hospital. According to him, his mother visited the hospital on 16/03/06 and the policy was revived on 25/03/06. Therefore, there was only a gap of about 9 days and question of mentioning this visit in the declaration of good heath does not arise as there was no treatment for more than a week. Further, he stated that cancer was first detected only in April, '06. Therefore, he pleads that the full claim may be paid.

DECISION:

The Life Assured (LA) expired on 26/01/07 i.e., nearly after 10 months from the date of revival. Now, the question arises whether the revival had been correctly set aside or not by the LICI authorities. The evidence available with them is only one prescription dated 16/03/06 for OSF and there was no treatment for more than a week continuously after that . Total no of days between 16/03/06 and the date of revival 25/03/06 are only 9 days. We are unable to accept, that there was mis-representation in the DGH as there was no continuous treatment of seven days after the date of revival. In fact there were only a gap of nine days in between the date of first consultation and the date of revival. According to the representatives of the complainant, his mother was taken to the hospital only on 31/03/06 and sometime, during the 1st week of April, she was detected to be having cancer in the tongue. According to us, the reasons for repudiating the claim on suppression of material facts in the DGH were not tenable. Therefore, we hold that the death-claim is payable. We direct the LICI authorities to pay the death claim as per policy terms and conditions

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Kolkata Ombudsman Centre

Case No. 322/24/001/L/08/08-09.

Smt. Pushpa Singh
Vs.

Life Insurance Corporation of India

Award Dated : 31.12.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against no payment of death-claim.

The complainant is the widow of Anil Kumar Singh and nominee for LICI policy no. 531092337 with DOC 24.11.1993 for SA Rs.50,000/- under T/T 110-25. The Life Assured (LA) expired on 07.09.2000 but death claim was not paid. She made several correspondences with the insurer and also sent Advocate's Notice to them. However, the claim remained pending. So she approached this Forum. She submitted P Form on the date of hearing.

Intervention was made with the Insurer but we did not receive any SCN. However, they endorsed a copy of their letter, dated 02.12.2008 to the claimant, and to us stating that claim remained pending due to non-submission of requirements. They also intimated that their earlier reminders dated 30.03.2008, 24.10.2008 and 20.11.2008 were not answered.

HEARING:

In response to a notice of hearing on 30/12/08 both the parties attended. The representative of the insurance company stated that they are willing to initiate the process of settling if and when the complainant fills form no. E (Leave Certificate by the Employer). The insurance company had not taken any decision with regard to the claim of the complainant.

On the other hand, the complainant has stated that her husband was working in Nepal and after his death she did not visit Nepal at all and she stated that she has given these facts to the LICI. She further stated that she will be unable to furnish form no. E and requested that LICI should be asked to expedite the same. She also stated that she has given the address of the employer to the LICI office a few days back.

DECISION:

As the LICI has not yet taken a decision with regard to the claim made by the complainant due to non-submission of the form no. E, we direct as per the reasons mentioned above, the LICI authorities to obtain the form no. E from the employer and initiate the process of settling the claim.

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Kolkata Ombudsman Centre

Case No. 302/21/001/L/08/08-09

Shri Sri Gobinda Chandra Sett
Vs.

Life Insurance Corporation of India

Award Dated : 31.12.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the nominee for the policy no. 416370701 of Ganesh Chandra Sett. The DOC was 28.11.2003 for SA Rs.1,00,000/- under T/T 14-12 yearly premium payable Rs.8787/- and FUP 11/2006. The Life Assured (LA) expired on 25/02/06 but the date of death is not mentioned. The nominee submitted claim forms and in response to LIC's letter dated 08.11.2006, requesting him to submit all prescriptions, pathological reports, ECG report, OPD and discharge certificate etc., for the period 01.01.2000 to 25.02.2005, he replied on 20.12.2006 that he did not have the medical papers since he was not prepared for the unfortunate death of his uncle. Also he was preoccupied as his mother was suffering from Cardiac problems. However, he submitted visitors card of Shambu Nath Pandit Hospital, Indoor medicine slips dated 23.02.2006, 24.02.2006 and 28.02.2006 as well as Shambhu Nath Pandit Hospital papers. However, the claim was repudiated and the decision of repudiation was upheld by LICI higher authorities. So he approached this forum and submitted P Forms giving his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

Intervention was made with the insurer and we received their SCN on 11.12.2008. The letter of repudiation shows that the proposer answer to question 11 (a), (b), (c), (d), (e) and (i) in the proposal form were wrong since on investigation it was found that the Deceased Life Assured (DLA) was suffering from Diabetes Mellitus Type II and Hypertension and was under treatment since the year 2000. Their DMR observed that DLA was under treatment of Dr. Shaibal Chakraborty but suppressed that information. This amounted to suppression of material facts. So the claim was repudiated and repudiation was upheld by their Zonal authorities.

HEARING:

In response to a notice of hearing , the representatives of the insurance company stated that the assured was suffering from DM-II and hypertension and was under treatment since 2000. According to them, the Deceased Life Assured (DLA) suppressed this information while taking the policy on 28/11/03. They have also submitted the prescription given by Dr. Saibal Chandra dated 10/02/04 in which it has been mentioned that the LA was suffering from diabetic

retinopathy and laser treatment was done twice. He was also having hernia, hydrocele etc. However, the duration of these diseases have not been mentioned. The cause of death was cardio respiratory failure. According to them, the circumstantial evidences indicated that the assured did not mention DM-II & hypertension and also any problem with eye, hernia or hydrocele which could have existed at the time of taking the policy.

On the other hand, the complainant has stated that the assured was in very good health condition and there was no reason to mention any of the disease as he did not suffer the same. Therefore, he pleads that the claim may be settled favourably.

DECISION:

On going through the evidence available the only point in favour of the insurance company is that the assured was suffering from DM type-II which should have been mentioned in the proposal form. The mentioning of diabetes might require further special reports to correctly determine the underwriting requirements as if extra premium was to be imposed. Therefore, the option to correctly determine the underwriting risk or the premium rate was lost to the insurance company. However, since there is no proof that the disease suffered by the assured was existing before the inception of the policy, not mentioning of existence of DM will not in-toto vitiate the insurance contract. While agreeing that the insurance company was correct in their decision of repudiation of the death claim, we propose to grant some ex-gratia payment which will meet the ends of justice. We therefore, direct the insurance company to pay Rs.50,000/- as ex-gratia to meet the ends of justice. Accordingly, the complaint is disposed of.

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Kolkata Ombudsman Centre

Case No. 350/21/001/L/08/08-09

Smt. Minati Ghosh
Vs.
Life Insurance Corporation of India

Award Dated : 31.12.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the widow of Biswadeb Ghosh and nominee for his policy no. 416028835 with DOC 28.01.2006 for SA Rs.50,000/- under T/T 14-11 and FUP 01/2008. The age at entry was 47 years. It appears that the Life Assured (LA) expired on 15.07.2007 (as per P Forms). She submitted claim forms but the claim was repudiated.

The complainant appealed to the ZM stating that :-

i) The Deceased Life Assured (DLA) had six LIC policies out of which death claim against 5 policies were already paid. She felt that this would prove that the DLA had no mal-intention.

ii) There was no suppression of material facts. She felt that the DLA answered "No" against some questions about personal history in the proposal form due to his feeling that the visit to some doctor about Oesophagus ailment was not important.

iii) Cause of death was Lung Cancer which was not due to problems pertaining to Oesophagus or Gastric Ulcer. The claimant felt that the repudiation was totally unjust and distrustful since on the date of risk the DLA was not affected with Lung Cancer. The DLA was a Central Government Employee and a man of honesty and good morals.

She approached this Forum, submitted P-forms giving her unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

Intervention was made with the Insurer but they merely mentioned in their SCN that repudiation was upheld by their Zonal Office. The letter of repudiation showed that the DLA gave "No" answer to question 11 (a), (b), (c), (d) in the proposal form and "Good" against Question 11 (i) (Usual state of health). However, the Insurer had evidence that the DLA underwent Endoscopy by Dr. R.N. Guha Mazumdar in 07/2005 (before the date of risk) and was detected to be suffering from Oesophagus and Gastric Ulcer with Oesophagitis. These were suppressed in the proposal form. As such they repudiated the claim.

HEARING:

In response to a notice of hearing on 23/12/08 only the complainant attended and the representative of the insurance company could not attend due to National Strike of the LIC Employees. On 31/12/08, the hearing was re-fixed and both the parties attended. The representatives of the insurance company have stated that the assured did not answer the status of health in the proposal form correctly and therefore, important information was suppressed. Hence, according to them, the repudiation of the claim was correctly done. They have stated that they have irrefutable proof that the assured was suffering from Oesophagus and Gastric ulcer and endoscopy was done in July, '05 before the inception of the policy. The policy was only 1 year 5 months and 17 days old and therefore, the disease would be known to the assured and according to the representative of the insurance company, the assured ought to have mentioned in the proposal form the diseases suffered by him.

On the other hand, the complainant has stated that only an endoscopy was done before the inception of the policy . The carcinoma of lung had developed later and both were not connected

and therefore, non-mentioning of the disease suffered should not stand in the way of settling the claim. Therefore, she requested that the claim may be settled favourably.

DECISION:

We find from the above that the complainant has already received death claim from 5 out of the 6 policies made by the life assured and only in this policy the insurer raised the question of suppression of material facts and payment was not made. It is felt that the insurance company has sufficient and substantial evidence to show that the assured suffered from some diseases due to the reports from the endoscopy done before the inception of the policy but there was no concrete proof of evidence of lung cancer. However, we are of the opinion that the Supreme Court decision in the P.C. Chako vs. LICI would be applicable as hospitalization procedure had not been mentioned in the proposal form and therefore, as per that ratio the contract would be vitiated. Keeping in view the above we agree with the decision of the insurance company with regard to the repudiation of the death claim. However, as there is no proven connection between the cause of death and the disease suffered before the inception of the policy, it is felt that non-disclosure of this information in the proposal from should not be treated as paramount and a certain amount of ex-gratia payment would meet the ends of justice. Therefore, we direct the insurance company to pay an amount of Rs.25,000/- (Rupees Twenty Five Thousand only) as ex-gratia payment which will meet the ends of justice. Accordingly, the complaint is disposed of.

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Kolkata Ombudsman Centre

Case No. 282/21/002/L/07/08-09.

Smt. Krishna Sarkar
Vs.
SBI Life Insurance Co. Ltd

Award Dated : 31.12.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the nominee (widow) of the LA of policy no.83001000203. The deceased life assured (DLA) took home loan cover under a Master Policy in 03/2005 and expired on

29.11.2005. The death intimation was given to the insurer and benefit amount was claimed. But the insurance company denied the claim vide their letter dated 20.03.2007. She had again appealed to the insurer for consideration of the claim but they expressed their inability to pay the claim. So the complainant approached this forum seeking justice and has submitted P Form with the unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurer and the complainant.

SCN received from insurer on 23.09.2008 along with the documentary evidences in support of the repudiation of the claim. They stated that DLA had applied for enrolment under the SBI Home Loan Insurance Scheme for collateral security against the outstanding loan amount. The insurance cover was given on the basis of "Declaration of Good Health" by the LA which mentioned that he was of sound health & was not suffering from any critical illness or any condition requiring medical treatment for critical illness as on date of enrolment. The insurer conducted an extensive investigation wherein it was found that cause of death was due to Congestive Heart Failure (CHF) as a sequel of dilated Cardiopathy. The Discharge Summary of Sheshraj Nursing Home dated 17.06.2004 and other treatment papers showed that he was suffering from DM – Type II, Hypertension, CHF & Ischemic Heart Disease (IHD) prior to the enrolment of the scheme. The claim was repudiated for suppression of material facts. The insurer has referred to the Hon'ble Supreme Court's recent judgement delivered in November 2007 in the case of Chackochan vs. LIC of India. The insurer felt that repudiation of this claim was legal, justified & bonafide on the basis of documentary evidences submitted by them.

HEARING:

In response to a notice of hearing the representative of the insurance company, the SBI Life Insurance Co. Ltd., has given a home loan insurance master policy to State Bank of India for covering the home loan repayment risk. In short, the persons who have taken home loan would be covered with a diminishing coverage and whatever loan that was outstanding at the time of the demise of the LA, being the beneficiary of the above policy, will be totally secured by the insurance company. In this case, the beneficiary of the master policy expired on 29/11/05. According to the insurance company, the insurance cover for the loan was given on the basis of the declaration of good health. However, the insurance company collected extensive evidences that the death was due to congestive heart failure as a sequel to dilated cardiopathy. According to them, the discharge summary dated 17/06/04 showed that he was suffering from Type-II, DM Hypertension CHG & Ischaemic heart disease prior to getting enrolled into the insurance scheme. The representative of the insurance company relied on the Hon'ble Supreme Court decision delivered in November '2007 in the case of P.C. Chakoo vs. LICI of India.

On the other hand, the complainant has stated that the LA was in good health and LA did not mis-represent with regard to health in the declaration of good health form. Therefore, she pleads that loan payable may be covered by the insurance company.

The insurance company got the investigation done by Sniffers India and it has been found out that the LA was the employee in DCM of RLI with a total income of Rs.1,50,000/- per annum. The medical attendant's certificate indicated congestive heart failure, diabetes mellitus and diated cardiomyopathy. The treating doctor had mentioned that the LA was having DM for a long time i.e., about 7 years. The evidence also indicated that the assured was having bilateral renal parenchymal disease and bilateral pleural effusion. They further sent an observation dated

29.12.2008 from Dr. V.K. Verma, their CMO at Mumbai, who on the basis of Dr. A. Roy's prescriptions in June/July, 2004 & ECO Test, deduced that Ejection Fraction of 45% in a diabetic most likely indicates underlying IHD. According to him, the DLA had hidden the facts in DGH and his heart pumping was reduced.

DECISION:

From the above available facts, there is a clear and substantial evidence to indicate that the LA was suffering from certain diseases which have not been mentioned in the DGH. However, the documents furnished with SCN and also at the time of hearing could not conclusively establish the exact onset of CHF or hospitalization for any critical illness or a condition requiring medical treatment for a critical illness. The observation dated 29.12.2008 of their CMO, furnished after hearing, mentions "Most likely in a diabetic indicates underlying IHD." The Certificate of Insurance furnished by the Insurance Company defines Critical Illness as, among others, "condition requiring other heart surgery, history of typical chest pain" which have not been established in this case. We propose to grant some ex-gratia relief to the complainant to meet the ends of justice. Therefore, we direct the insurance company to cover Rs.1,00,000/- out of the outstanding loan against the LA, which will meet the ends of justice. This exercise should be completed within 15 days from the date of receipt of consent letter from the complainant to the Insurance Company. Accordingly, the complaint is disposed of.

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Kolkata Ombudsman Centre

Case No. 303/21/010/L/08/08-09

Smt. Meenakshi Verma

Vs.

Reliance Life Insurance Co. Ltd.

Award Dated : 30.12.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death-claim.

The complainant is the widow of Ashok Kumar Sinha, a Section Officer in Patna High Court. Her husband purchased a Reliance Endowment Plan, Policy No. 10529866 at the age of 54 with DOC 25.03.2007 for SA Rs.2,00,000/- paying a sum of Rs.15,738/- (Receipt No. 3D001416).

The policy was adjusted with yearly premium of Rs.12,128/-. The Life Assured (LA) expired on 21.07.2007. The nominee submitted Claim forms but the claim was repudiated and the insurer did not even refund a balance deposit of Rs.3610/- (Rs.15,738/- - 12128/-).

The complainant mentioned that her husband expired due to sudden Brain Haemorrhage. She furnished all required documents but the Insurer, after delaying for more than 3 months, repudiated the claim alleging suppression of material facts. She felt that there was no mis-representation in the proposal form & tick marks in the Health Questionnaire were not in the hand writing of the proposer. The proposal was witnessed by an agent not known to the family. Moreover, complete medical check up of the proposer was done at Appolo Clinic, Patna, as selected by the Insurer, after the Insurer received the deposit amount and underwriting was done after medical check up. So according to the complainant the policy was not accepted on the basis of the proposer's statement only. She questioned the Insurer's method of repudiation and appealed to this Forum. She submitted P Form giving her unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

Intervention was made with the Insurer but we have not yet received their SCN. Letter of repudiation had mentioned that the Deceased Life Assured (DLA) was a known case of Diabetes Mellitus, HTN and End-stage Renal Disease. The proposer gave wrong answers to Question No. 54 (a), (c), (e), (i), (q) & (s) in the Proposal Form. The insurer stated in their reply to the claimant that the person seeking to insure may fairly be presumed to know all the circumstances which medically affected the risk. According to them "the Medical Officer of the Insurance Company certifying the deceased as enjoying good health would not be of much consequence." They stated to have evidence that the DLA was admitted to SGPGIMS, Lucknow on 31.01.2007 i.e. 11 days before the submission of proposal and was discharged on 07.02.2007. The proposal was made after 5 days of discharge and diagnosis of illness was Diabetes Mellitus, DN, HTN, ACUTE, ON CKD, HYPOTHYTOIDISM.

HEARING:

In response to a notice of hearing on 24/12/08 both the parties attended. The representatives of the insurance company have produced evidence to show that the insured was suffering from Hypertension, Diabetes Mellitus and Diabetic Nephropathy for a long time before taking the policy. The policy was taken with DOC on 25/03/07 and the Life Assured (LA) expired on 21/07/07. The LA was suffering from the above diseases and the representative of the insurance company showed that they have evidence that the LA was admitted to the hospital known as SGPGIMS 11 days before submission of the proposal.

The complainant was informed that not mentioning all diseases suffered by the proposer in the proposal form would vitiate the contract and the Hon'ble Supreme Court decision in the case of PC Chako vs. LICI in which it was stated that non mentioning of medical procedure or hospitalization would affect the underwriting capacity of the insurer and therefore, the contract is vitiated ab initio.

On the other hand, the representative of the complainant has stated that though the DLA was admitted in the hospital there were no serious sicknesses which could be mentioned in the proposal. Therefore, she pleaded that the case might be considered in his favour.

DECISION:

In the light of the irrefutable proof submitted by the representative of the insurance company from SGPIMS, Lucknow, it can be seen that the insured was suffering from hypertension from 1998, DM from 2002 and diabetic nephropathy. Obviously, this hospitalization between 31st January, '07 to 7th Februrary,'07 before the DOC of the policy should have been mentioned in the proposal form. As this has not been mentioned, the contract of insurance gets vitiated. The insurance company has furnished proof of returning the balance deposit with interest. Keeping in view the above, we do not have any other alternative but to agree with the decision of the repudiation of the insurance company and the complaint is dismissed without any relief to the complainant.

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Death Claim

Kolkata Ombudsman Centre

Case No. 409/24/001/L/09/08-09

Smt. Sikha Chettri
Vs.

Life Insurance Corporation of India

Award Dated : 14.01.2009

FACTS AND SUBMISSIONS:

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

The complainant is the widow (nominee) of deceased life assured (DLA) of policy no. 435197830 for Rs.30,000/- under T/T 14/7, with monthly premium of Rs.397/- only with DOC-28.03.2004. Life Assured (LA) expired on 11.06.2006 due to epilepsy in a case of myocardial infarction with CRF. The nominee had submitted the claim and treatment particulars on 03/2008 but has not received the death claim till date. She also stated that her husband was admitted for treatment of epilepsy on 18.03.2003 and was discharged on 19.03.2003 and doctors had advised that no further treatment of epilepsy was required except

one tablet to be taken regularly-life long (i.e. Eptoin). Subsequently he was admitted on 11.06.2006 and expired on that day. She also stated that her husband was working at Kesoram Rayon, Kuntighat, Bandel and had taken the policy under SSS scheme. The factory was closed since January 2006 and the company had not paid any salary during this strike period to any of their employees and that is why, the premium for above policy remained unpaid from February, 2006 till the LA died on 11.06.2006. She made several correspondences with the Insurer but in vain. So she approached this forum seeking justice and has submitted the P Forms along with unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the Insurance Company and the complainant.

In spite of our intervention vide letter dated 30.09.2008, we have not been received the Self Contained Note till date.

HEARING:

In response to a notice of hearing only the representatives of the insurance company attended. The complainant did not attend. The representatives of the insurance company have stated that the Deceased Life Assured (DLA) expired due to myocardial infarction and that he was suffering from epilepsy before inception of the policy and that the Life Assured did not disclose the disease he was suffering as per the queries mentioned in 11 (a) to (d) and 11 (i). Therefore, they stated that the insurance company was correct in repudiating the claim as there was suppression of material facts with regard to the existence of the epilepsy.

DECISION:

As the complainant did not attend we propose to deal with the matter on ex-parte basis. The LA has taken a SSS policy where monthly premium of Rs.936/- was deducted w.e.f. 28/03/04. The LA expired on 11/06/06. The complainant has stated that her husband was working in Kesoram Rayon, Kuntighat, Bandel. As the Company was locked out, premium against this policy remained unpaid from February,'06 as no salaries have been paid to the employees. We find from the materials available on records that the DLA was admitted on 18/03/03 with convulsion and was discharged on 19/03/03 at Bangur Institute of Neurology, Kolkata. There was no clear evidence of existence of epilepsy. The policy status did not reflect any intermittent gap premium and the last premium paid being January, 2006, 23 instalments of monthly premium were already paid and there were 4 nos (Feb-May 2006) of monthly premiums outstanding before the date of death. If only one more (Feb, 2006) monthly premium was adjusted the claim would automatically come under Chairman's Relaxation for death claim for full S.A. However, the premium payment stopped due to some reason beyond the LA's control, there is no document showing that he willingly stopped premium deduction from his salary. Under SSS scheme, there is no scope for an individual policyholder to tender his premium on his own. Therefore, there was ample scope on the part of the insurer to apply Clause 5A (Page 94) of Claim's Manual to

pay full death-claim after deducting the outstanding premiums with interest as per rules. Keeping in view the above facts, we propose to give benefit of doubt to the LA and state that there was no possibility of suppression of material facts as the insurance authorities do not have concrete evidence with regard to the existence of the epilepsy.

It is felt that the claim in this case is exigible. We therefore direct the Insurance Company to pay the claim as per terms and conditions of the policy

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Death Claim

Kolkata Ombudsman Centre

Case No. 417/21/001/L/10/08-09

Smt. Mamoni Das

Vs.

Life Insurance Corporation of India

Award Dated : 14.01.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the nominee of the deceased life assured (DLA) for his 3 above mentioned LIC policies. The Life Assured (LA) expired on 21.09.2002 and she submitted claim forms but the claim was repudiated.

She stated that LIC's contention of wrong answers to Health Questions in the proposal form was incorrect and the decision of repudiation was cruel and inhuman. According to her, some relative gave incorrect information, in case history furnished by the Nursing Home, for suspicion that such instances of suffering on earlier occasions might have links with the disease to help the Doctor for treatment. Such information should not be confused as suppression of pre-existing disease. LIC's decision was unilateral, not very frank or correct and the widow did not have the opportunity to defend her case.

She approached this forum and submitted P Form giving her unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

Self Contained Note gave the policy status as follows :-

Pol. No.	DOC	SA	T/T	LPP
433371913	27.10.2000	Rs.1,00,000/-	126-25	10/2001 (Yly)
433371914	27.04.2000	Rs.75,000/-	133-30	04/2002 (Yly)
433371915	27.04.2000	Rs.30,000/-	89-30	04/2002(Yly)

The status makes it clear that all 3 policies were in full force at the time of death – duration less than 2 years for the 1st policy and 2 years 5 months for the other 2 policies.

However, according to them the admission note of Beckbagan Nursing Home shows the DLA as patient had history of unconsciousness following headache, fever and vomiting for the last 7 years prior to his death. He had a history of RTA 10 years back and was under treatment of Dr. Anupam Dasgupta, a renowned Neurologist. They held that these material facts were suppressed at the time of effecting the contract. Proposals were submitted on 24.11.2000. They gave their consent for the mediation by the Insurance Ombudsman.

HEARING:

In response to a notice of hearing both the parties attended. According to the representative of the insurance company, there are three policies viz., 433371913 to 15 with date of commencement being 27/10/2000, 27/04/2000 & 27.04.2000 respectively. The insurance authorities have obtained documentary evidence from a nursing home which indicated that deceased life assured (DLA) was a patient of off and on unconsciousness following headache, fever and vomiting for the last 7 years prior to his death. According to them, the LA did not disclose these facts with regard to health and the proposal form while taking the above policies. According to them, the insurance company has correctly repudiated the claim. The complainant only stated that her husband was in good health and therefore, all the mention of the ailments before the inception of the policy was not correct. Hence, she pleaded that her case may be considered favourably.

DECISION:

The Insurance Company has also pointed out that the LA had suffered a road traffic accident about 10 years back because of which he was having all neurological problem. This fact had not been disclosed to the insurance company at the time of inception of the policy. The prescriptions from 09/09/02 onwards have clearly indicated that the LA was suffering from history of unconsciousness, headache following fever and vomiting. In the prescription dated 09/09/02, it was written that the patient was comatosed and was gasping with frothy secretion. Different types of medication was given to the patient. On 10/09/02, the prescription indicated that the patient was deeply unconscious etc. A similar type of prescriptions were there on subsequent dates. Therefore, it is clear that the LA did not indicate, the road accident he suffered and the

consequent problem he had due to the accident, in the proposal before taking the policy cover, as mentioned above. Therefore, it is certain that there is suppression of material facts with regard to the health of the LA.

Therefore, we do not have any other alternative but to confirm the decision of the LICI with regard to the repudiation of the claims under various policies. The petition is dismissed without any relief to the complainant.

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Death Claim

Kolkata Ombudsman Centre

Case No. 402/21/001/L/09/08-09

Smt. Gayatri Jana

Vs.

Life Insurance Corporation of India

Award Dated : 16.01.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the widow (nominee) of the deceased life assured (DLA) of policy no. 418506640. The DLA had taken a policy for Rs.30,000/- under T/T – 91/15 with yearly premium of Rs.2159/- on 29.11.2004. He had taken the policy through Golden Trust Financial Services, a Corporate agent of LICI/KMDO-I. LA expired on 18.02.2007 due to CRF in a case of Ascites. The complainant produced document showing that her husband (LA) had deposited the 2nd yearly renewal premium due 11/2005 to the Corporate agent on 21.09.2006 along with health declaration (as required in case of a revival) that he was of sound health. But the deposit was adjusted by LICI only on 18.10.2006. Her husband suffered from 12.10.2006 and the Good Health Declaration was accepted on 18.10.2006. So she denied about any suppression of material fact, though the claim was repudiated on the ground of suppression of material fact. She appealed to ZCRC but they also upheld the repudiation decision. So, she approached this forum

seeking justice and submitted the P forms along with the unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the Insurance Company and the complainant.

The Insurer has stated in the SCN that the above policy continued for 2 years 2 months from DOC and only 4 months from the date of revival. They also stated that DLA expired on 18.02.2007 at his residence due to Ascites. Reviewing the Claim Form 'B' by Dr. A. Basak, prescription of Dr. B.C. Bhim dated 12.10.2006 and test report dated 13.10.2006, it is learnt that DLA was suffering from swelling of abdomen and jaundice since 12.10.2006. But the facts were not disclosed at the time of revival and so the claim was repudiated. They stated that the nominee had represented to Zonal authority and the case is under their review. But the letter of Manager (Claims)/KMDO-I dated 19.04.2008 addressed to be nominee stated that ZCRC upheld the repudiation decision.

HEARING:

In response to a notice of hearing both the parties attended and according to the representative of the insurance company, the policy continued for 4 months from the date of revival. The declaration of good health was signed by LA on 18/10/06 and was accepted on same date. According to him, the medical document reveals that the deceased life assured (DLA) was suffering prior to 18/10/06 and the nominee also accepted the said fact. However, it was pointed out to him that LICI Agents' Manual showed that the policy under Plan 91 does not require evidence of good health in case of revival within 36 months from the FUP. Under this plan, a policy can be revived by paying balance premium with interest upto 36 months from FUP. In response, the LICI representative stated that the policy bond shows that this condition would apply only if the policy premiums have been continuously paid for 2 years. There is certain ambiguity with regard to the conditions as the LICI manual does not mention of continuation of payment of premiums for 2 years for revival relaxation. Further, it was pointed out to him that the DLA has deposited the renewal premium to the corporate agent on 21/09/06, even though, the DGH was accepted on 18/10/06. The representative of the insurance company was of firm opinion that there is suppression of health particulars in the DGH and the assured was in the knowledge of such ailments.
On the other hand, the complainant has stated that the premium was paid before 12.10.2006 to the Corporate Agent. However, she could not comment on the signature of DGH but only stated that it was filled up by the agent.

DECISION:

The Life Assured expired on 18/02/07 due to CRF in case of Ascites which is abnormal accumulation of fluid in the body. But the LA paid the renewal premium to the corporate agent on 21/09/06 before he had fallen sick. However, the DGH did not mention about the sickness he suffered. Keeping in view that premium was paid in time and that the manual does not indicate requirement of evidence of good health under policy plan 91, we are of the opinion that benefit

of doubt can be given to the assured. Therefore, it is felt that the claim may be settled in favour of the assured by giving benefit of doubt on ex-gratia basis and hence, we direct the LIC to pay the claim

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Death Claim

Kolkata Ombudsman Centre

Case No. 403/21/001/L/09/08-09.

Smt. Lina Sarkar

Vs.

Life Insurance Corporation of India

Award Dated : 22.01.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the widow of Pradip Sarkar. Her husband expired on 07.02.2007. She submitted claim forms in respect of her husband's policy no. 421352409 with DOC 28.06.1997 for SA Rs.20,000/- under T/T 75-20. But the claim was repudiated and the repudiation was confirmed by LICI, Zonal Office on 28.08.2008.

She stated that her husband, a carpenter by profession, purchased the policy through a neighbourhood agent and paid premium from 06/1997 to 06/2005 through that agent. The deceased life assured (DLA) became ill and was admitted to Anandalok Hospital from 01.02.2007 to 07.02.2007. She admitted that they were poor and could not always pay premium in time. During the last illness, the agent filled-up some form (DGH) and got it signed by the DLA and subsequently handed over some receipts. She, being illiterate and very disturbed due to her husband's condition, did not know what was written in that Form. She pleaded for sympathetic consideration about the financial difficulties of the widow and her minor daughter due to the demise of the breadwinner. However, she did not submit P-Form.

Intervention was made with the insurer but we have neither received their SCN nor any copy of the letter of repudiation.

HEARING:

In response to a notice of hearing only the representative of the insurance company attended. The complainant did not attend. The representative of the insurance company has stated that they have already paid the paid-up value of the policy before the period of lapsation amounting to Rs.12,212/- by cheque dated 13/09/08 after adjusting the policy loan (with interest) taken by the assured. Probably, the complainant did not attend as she already received the cheque after the adjustment of loan.

DECISION:

Since the complainant did not attend we propose to deal with the matter on ex-parte basis. On going through the records, we find that the policy was in lapsed status due to non-payment of premium from September 2005 and was revived on 6.2.2007 (one day before the death of Life Assured) suppressing health condition, the DLA being hospitalized at that time. Prior to that 2 more revivals were done on 9.9.2005 and 30.7.2006. However, LICI determined paid-up value taking FUP as 3/2005 (setting aside the last revival). We find it little harsh. Therefore, we direct the LICI to pay an ex-gratia of Rs.2,000/- which will meet the ends of justice.

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Death Claim

Kolkata Ombudsman Centre

Case No. 422/21/002/L/10/08-09
Smt. Soumi Basak

Vs.

SBI Life Insurance Co. Ltd.

Award Dated : 30.01.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the daughter of the Life Assured (LA) who took a policy no. 82001009007 from SBI through SBI, Baguihati B.O. and the premium was to be deducted from the savings account of the said bank. The company had taken the premium from 2002 to 2006 but due to some negligency of the SBI, Baguihati B.O. the premium of 2007 was not deducted from the Savings A/c in spite of adequate balance, which led the policy to be in lapsed condition. The Insurance Company repudiated the claim considering it to be a lapsed policy. So, she appealed to this forum seeking justice for the above grievance and submitted the P Forms and the unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurer and the complainant.

The Insurer has stated in their SCN that the said policy was admitted for SA of Rs.50,000/- on 04.10.2002. The Annual Renewal date was 05.10.2007. But the grace period was over and policy was in lapsed condition as on date of death (DOD) and so claim was repudiated. But, subsequently, as a service gesture, insurer has decided to settle the claim as a very special case and made the payment vide cheque no. 118855 dated 05.12.2008 for Rs.49640/- in favour of Soumi Basak after deducting the premium due on 05.10.2007. As it was a group insurance, the cheque was sent to the Branch Manager, SBI, Baguihati B.O. (documentary evidences submitted).

HEARING:

In response to a notice of hearing the complainant wrote a letter requesting rescheduling of the hearing. Before the re-scheduling of the hearing, the insurer who attended hearing in another case on 22.1.2009 has informed that the claim has already been settled. This Office has also not received any further correspondence from the complainant.

DECISION:

It appears that the grievance has been satisfactorily redressed. However, the insured has the right to revert back to this forum or go to any other forum if she is not satisfied with the decision of the insurer. In the result, the complaint is dismissed as no further intervention is required.

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Death Claim

Kolkata Ombudsman Centre

Case No. 533/24/001/L/12/08-09

Shri Tanmoy Deb
Vs.

Life Insurance Corporation of India

Award Dated : 10.02.2009

FACTS AND SUBMISSIONS:

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

The complainant is the nominee of Life Assured (LA) of policy no. 416963823. LA had taken two policies :-

(i) 416963823 for SA of Rs.2,00,000/- with DOC 28.03.2006 under T/T – 174-20 and yearly premium of Rs.6765/-.

(ii) A Joint Life Policy No. 416961496 for SA of Rs.2,00,000/- with DOC 28.12.2005 and yearly instalment of Rs.11591/-.

The complainant stated that his wife (LA) expired on 10.12.2007 and he submitted all necessary documents claiming the death benefit for both the policies, in the first week of January, 2008. But after lapsation of more than a year, he did not receive any response from their side. In spite of several correspondences with the insurer, he did not receive the claim amount. So he approached this forum seeking justice for above mentioned grievance and has submitted the unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurer and the complainant.

In spite of our intervention vide our letter dated 10.12.2008, we have not received any response till date.

HEARING:

In response to a notice of hearing both the parties attended. The representative of the insurance company stated that the LICI has admitted both the claims in respect of policy nos. 416963823 & 416961496 and have despatched the claim cheques only on 07/02/09. The complainant was informed of the situation.

DECISION:

As the LICI has already settled the claims it is felt that no further intervention is called for. However, the complainant can revert back to this forum or to go any other forum if he is not satisfied with the payments made by the LICI. In the result, the petition is dismissed.

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Death Claim

Kolkata Ombudsman Centre

Case No. 556/21/001/L/12/08-09

Shri Siva Prasad Hazra
Vs.

Life Insurance Corporation of India

Award Dated : 10.02.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against less payment of death-claim

The complainant is the nominee of policy no. 41885186 under Plan – 161, with purchase price of Rs.2,66,665/-. He stated that the Life Assured (LA), Late Shanti Ghosh expired on 02.03.2008 and he claimed the death benefit of policy no. 418485186 as the nominee of said policy by submitting the requisite forms. LICI paid Rs.2,60,732/- vide forwarding letter dated 01.10.2008. He stated that an amount of Rs.5933/- was paid less from principal amount of Rs.2,66,665/-. He also added that pension amount @ Rs.2000/- p.m. was paid till May, 2008 and the pension was stopped from June, 2008. He made several correspondences with the insurer but did not receive any response. So, he approached this forum seeking justice, and submitted the P Forms along with unconditional and irrevocable consent for Insurance Ombudsman to act as intermediary between the complainant and the insurer.

The insurer confirmed in the Self Contained Note (SCN) that the purchase price of the policy was Rs.2,66,665/- with pension amount of Rs.2000/- per month. The policy holder, Smt. Shanti Ghosh expired on 02.03.2008 and completed documents for claim were received by LIC office on 14.05.2008. The detailed calculation shown by the insurer reveals that unencashed dues cheques (for 01.03.08 to 02.03.2008) amounting to Rs.67/- was added to and these encashed cheques (paid after death) amounting to Rs.6,000/- was deducted from the purchase price of Rs.2,66,665/- resulting in net amount payable as Rs.2,60,732/-. They also added that there was some delay in payment of the claim and they are willing to pay the interest on delayed payment on submission of the required documents which has already been communicated to the complainant.

HEARING:

In response to a notice of hearing both the parties attended.
The representative of the insurance company has stated that they have already paid Rs.2,60,732/- after deducting their monthly annuity paid of Rs.2,000/- each for 3 months as the amounts were credited to the account of the insured after her death. They were prepared to pay interest as per the insurance act for delayed payment of maturity value.

On the other hand, the complainant has stated that he should get the interest on the entire amount of Rs.2,66,665/- to the date of actual payment excluding about 2 months for preparation time for LICI.

DECISION:

Since the LICI agreed to pay penal interest for delay in payment of maturity value after the deductions made for annuity payments for 3 months, we direct the LICI to pay the same. Accordingly, the complaint is disposed of.

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Death Claim

Kolkata Ombudsman Centre

Case No. 408/21/001/L/09/08-09

Smt. Debi Halder
Vs.

Life Insurance Corporation of India

Award Dated : 12.02.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death claim.

The complainant is the widow of the Deceased Life Assured (DLA) of policy no. 464094332 & 466547107. Life Assured (LA) took the 1st policy for SA of Rs.51,000/- on 28.08.2002 under T/T –75/20 with half- yearly mode of premium and the 2nd policy for Rs.30,000/- under T/T-91/16 on 28.04.2006 with yearly premium of Rs.2111/-. LA expired on 26.08.2006. Both the claims were repudiated on the ground of suppression of material fact at the time of reviving the policy no. 464094332 on 09.05.2006 and while taking the policy no.466547107 on 28.04.2006. The complainant stated that DLA did not suffer from any serious ailment but expired due to some minor illness. She also stated that she was in great financial crisis and appealed to this forum seeking justice for above claim. She has not submitted the P-forms and gave the consent for mediation by the Ombudsman.

In the SCN submitted by the insurer, it is stated that as per the OPD ticket of Burdwan Medical College & Hospital dated 04.07.2006, (after revival of 1st policy and acceptance of the 2nd policy), the DLA was suffering from Jaundice for 3 months. LA suppressed the fact at the time of revival of the policy no. 464094332 on 09.05.2006. It was stated by Insurer that had the ailment been disclosed by the LA, the policy would not have been revived and so the claim was repudiated.

In case of policy no. 466547107 – the proposal was signed on 28.04.2006 wherein the history of jaundice was not mentioned. Had the ailment been disclosed by LA, the case would not have been accepted at all. The complainant had appealed to the Zonal Authority for reconsideration of both the claims but ZCRC had upheld the repudiation decision on 29.10.2007.

HEARING:

In response to a notice of hearing only the representative of the insurance company attended. As the complainant did not attend, the hearing was re-fixed on 11/02/09 and on that day both the parties attended. According to the representative of the insurance company, there are two policies having nos. 464094332 and 466547107 for S.A. Rs.51,000/- and Rs.30,000/- respectively. The 1st policy was taken with DOC on 28/08/02. However, the premiums were not paid from the second year onwards and the same were revived on 09/05/06. In the case of the 2nd policy, the DOC was 28/04/06 and date of adjustment 4.5.2006. The LA expired on 26/08/06. According to the representative of the insurer, the prescriptions submitted indicated that the LA was suffering from jaundice for 3 months (actual onset not specified) which was also not indicated in the proposal form in the case of second policy and had not been indicated before revival in the case of 1st policy. According to the representative in case of any person suffering from jaundice, revival or acceptance of fresh policy is not allowed till 6 months after he is completely cured. Attending Doctor's report in (Obstructive Jaundice) Claim Form 'B' gave primary cause of death as Cholongised Carcinoma. OPD ticket indicates USG dated 12.6.2006 established Haepatic Duct Obstructive Mass and Renal Calculus. Therefore, the policy contracts are treated as void as correct information has not been given. Therefore, the insurer felt that the repudiation has been correctly done.

DECISION:

On going through the records available, we find that the 1st policy was revived on 09/05/06 while the LA was suffering from jaundice as per the prescription records. Similarly, the 2nd policy was also taken when the LA was suffering from jaundice. Suddenly, reviving the policy after three years indicates that probably the LA had some knowledge of disease being suffered. Taking of the new policy also indicates similar knowledge. The insurer gave circumstantial evidence, but there is no concrete proof about actual onset of the disease and if he was having knowledge of such disease before the revival of the policy or before taking of the new policy. All prescriptions

submitted and USG done to detect carcinoma are dated after revival. Agreeing with the decision of repudiation made by the insurance company, it is felt that certain amount of ex-gratia payment would meet the ends of justice as the insurance company could not produce irrefutable evidence of pre-existence of disease and LA having such knowledge of disease before writing the proposals for taking or reviving the policies. Therefore, we direct the insurance company to pay an ex-gratia to the amount of Rs.25,000/- (Rupees Twenty Five Thousand only) on the policy no. 464094332 and Rs.15,000/- (Rupees Fifteen Thousand only) on policy no.466547107.

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Death Claim

Kolkata Ombudsman Centre

Case No. 414/21/001/L/09/08-09

Capt. Keshab Chandra Biswas
Vs.

Life Insurance Corporation of India

Award Dated : 16.02.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death-claim.

The complainant, an Air Force personnel, is the husband of Shukla Biswas and nominee for her policy no. 484815466 with DOC 28.11.04 for Sum Assured (SA) Rs.50,000/- under T/T 14-16 and half-yearly premium Rs.1631/-. The Life Assured (LA) died (date of death or cause of death not mentioned). The status report shows that only one half-yearly premium was paid. The claim was denied by the insurer.

The complainant contended that the policy was sold by an agent assuring payment of SA with bonus when claim arises and the Clause 4(b) was not mentioned in Publicity leaflet. No person of sane mind would ever take an insurance policy containing any clause for denial of claim. So, he approached this forum but did not submit P-form.

Intervention was made with the insurer and they submitted their Self Contained Note (SCN) on the date of hearing. LICI letter dated 30.08.2008 to the complainant showed that the claim was denied in terms of Clause 4 (B), since according to the insurer, as per judgement dated 13.06.2006, it was a case of accident in a place other than public place. So, they proposed refund of premium paid excluding any extra as prescribed under Clause 4 (B).

HEARING:

In response to a notice of hearing both the parties attended. The representative of the insurance company has reiterated the points that have been raised in the Self Contained Note (SCN).

Briefly, the points in the SCN are as under :

i. The policyholder was a housewife, below 30 years in age, without any earned income and therefore, the policy was issued subject to the following conditions (Clause 4B)

"Policies to category III married female lives (aged 18 complete to 30 years) will be issued subject to Clause 4B according to which in the event of death of the life assured occurring within 3 years from the date of risk as a result of -

a) Intentional self-injury.
b) Suicide or attempted suicide.
c) Insanity.
d) Accident other than accident in public place, or
e) Murder.

The Corporation's liability shall be limited to the sum equal to total premium paid (exclusive of extra premium, if any). However, in case of suicide within one year from date of policy the provision of 'Suicide Clause' will prevail.

ii. The Hon'ble Session Judge in his judgement against the complainant has stated that the evidence that has been put forth before the Hon'ble Court was not sufficient and the prosecution case was doubtful and therefore, acquitted the complainant honourably.

iii. From the various discussions in the judgement it was decided by the competent authority that the accident was in a place other than a public place and that clause 4(B) was applicable. Therefore, it was stated that the claim should be denied and only premium paid should be refunded. Therefore, the representative of the insurance company stated that claim has been correctly repudiated.

On the other hand, the complainant has stated that the accident took place in a public area because the building in which he was living has mess for the IAF Officials and that he was living in one single room along with others having single room accommodation. The terrace from which his wife had fallen belonged to everybody in the building and therefore, it should be deemed to be a public place. Therefore, according to him, the objection of LICI is not correct. He also stated that LICI did not raise any doubt with regard to whether the death was by committing suicide or not and the claim would be payable in his favour.

DECISION:

The Ld. Session Judge in his Final Order stated "In view of my findings and discussion ….the prosecution case being doubtful the accused person is entitled to acquittal." It is not clearly indicated in his order whether the death of the deceased was due to an accident or was self-inflicted by committing suicide. The plea of the complainant that this point was not raised by LICI during the course of hearing cannot be accepted as Clause 4(B) clearly refers to death by suicide and the insurance cover is not payable if the same occurs within the 1st year of the policy cover. In our opinion, this forum is not equipped with the wherewithal for deciding whether the

death occurred in this case due to an accident in public place or by the DLA committing suicide. The complainant should seek a decision with regard to the nature of death by a judicial process and then apply to the LICI for settling the claim.

In the light of the above, as we are unable to decide the nature of death we have no other alternative but to dismiss the petition without any relief to the complainant.

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Death Claim

Kolkata Ombudsman Centre

Case No. 612/21/001/L/01/08-09

Smt. Rita Chowdhury
vs.

Life Insurance Corporation of India

Award Dated : 12.03.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death-claim.

The complainant is the nominee (wife) of deceased life assured (DLA) who had taken a policy no. 424405107 for Sum Assured (SA) of Rs.50,000/- under T/T 75-20 and quarterly premium of Rs.944/- with DOC : 28/05/2004. She stated that her husband was of sound health and died unfortunately on 28.07.2004 due to accident at the Sea of Digha. She also added that the Post Mortem stated the death to be due to heart failure, accidental in nature but the insurance company has repudiated the claim on the ground that her husband died due to heart disease which was pre-existing prior to taking the policy. She appealed to the Zonal Authority but the repudiation was upheld. So she approached this forum explaining her financial crisis and appealed for redressal of her grievance at this forum. She has submitted the P-forms and given her unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurance company and the complainant.

In spite of our intervention vide letter dated 15.01.2009 we did not receive Self Contained Note (SCN) before the date of hearing but the repudiation letter of the insurer addressed to the complainant dated 06.02.2006 shows that they held indisputable proof to show that DLA had suffered from Type II DM and left sided chest pain for which he had consulted a medical man

and had taken treatment from him. They have also referred the case to ZCRC where the matter was reviewed and decision to uphold the decision of the Divisional Authority.

HEARING:

In response to a notice of hearing both the parties attended. The representative of the insurer stated that the policy ran for only two months before the date of death of DLA. He stated that they had documentary evidence to prove that the DLA was suffering from Type-II DM and was undergoing treatment by Dr. S. Roy Chowdhury, Ranaghat, SD Hospital and was taking anti-diabetic drug. The prescription that had been produced is dated 20/03/04, 2 months before the commencement of the policy. This was not mentioned in Personal History in the proposal form. Therefore, according to him, there was suppression of material facts and the LICI was correct in repudiating the death-claim.

On the other hand, the complainant stated that her husband died unfortunately on 28/07/04 due to an accident at Digha and the post- mortem reported that the death was due to heart failure and accidental in nature. Therefore, she pleaded that her claim may be settled favourably.

DECISION

From the above evidence it is clear that the policy was only 2 months' old after inception and there is irrefutable evidence that the DLA was being treated for DM-II. It is clear that the underwriting decision of the LICI has been influenced due to non-disclosure of this information in the proposal. The Hon'ble Supreme Court in the case of P.C. Chako vs. LICI (2007) has clearly stated that suppression of material facts which has the affect of disturbing the underwriting capacity of the insurance company would automatically vitiate the contract of assurance.

Respectfully following the decision since the policy went only for two months and since there is irrefutable proof that the DLA was suffering from DM, we have to agree with the decision of repudiation by the LICI and consequently, the complainant does not get any relief. The petition is therefore, dismissed.

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Death Claim

Kolkata Ombudsman Centre

Case No. 503/21/001/L/11/08-09

Md. Muslim

vs.

Life Insurance Corporation of India

Award Dated : 27.03.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death-claim.

The complainant is the husband of Hasina Khatoon and nominee for her policy no. 464437507 with Date of Commencement (DOC) 14.09.2002 for Sum Assured (SA) Rs.40,000/- under T/T 14-15. The Life Assured (LA) expired on 13.06.2004 and the policy was in full force at the time of death. However, the claim was repudiated and the decision of repudiation was upheld by LICI higher authorities. So, he approached this forum and submitted P-form giving his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

Intervention was made with the insurer and we received their Self Contained Note (SCN). The letter of repudiation showed that according to them the proposer gave wrong answers against Question No. 11(a), (b), (d), (e) and (i) about personal history in the proposal form. They had evidence that about two years before the submission of proposal the DLA was suffering from swelling of body and abdomen, pain in the abdomen and vomiting and urinary problem for which she consulted a doctor and had taken treatment. Also she was operated for piles prior to the date of proposal. All these material facts were suppressed. So they repudiated the claim. According to the SCN, the cause of death was chronic Renal Failure, Septi Cemia and the DLA was a known case of chronic Renal Failure. One Doctor Chanda treated the DLA during the year 2000 and again in 07/2002. However, the insurer did not furnish any documentary evidence or the Policy Docket.

HEARING:

In response to a notice of hearing both the parties attended and the case was discussed with both the parties. However, at the end of the hearing, LICI requested for some more time for investigation and therefore, the hearing was re-fixed on 17/03/09. The complainant stated that he would not be able to attend on 17/03/09 and also stated that the Insurance Ombudsman might take his decision as per the evidence submitted by the LICI authorities.

Accordingly, only the representatives of the insurance company attended on 17/03/09. As per records, the date of commencement of the policy was 14/09/02. The fresh evidence submitted by the LICI was only a document dated 14/4/05 in the form no. 5752 which indicated that doctor had seen the patient somewhere during the year 2000 and there was no follow-up. She once again consulted him in July, ’02 after that she was operated for bleeding piles, outside. This certificate was given by the doctor on 14/04/05 long after the death of the Life Assured.

Excepting this there is no evidence available on record to show that DLA was operated for piles before the inception of the policy. In fact, the evidence now purported to have been submitted was already existing on records at the time of the previous hearing.

DECISION

Non-mentioning of suffering from piles by an assured in the proposal form would affect the policy to the extent of imposition of health extra premium and waiting period of 6 months after successful operation. Therefore, it is felt that the policy contract had not been completely vitiated.

In the light of the above, we direct certain ex-gratia payment which will meet the ends of justice as there is definite proof that the patient was suffering from piles before the commencement of the policy, however, the evidence submitted with regard to operation of piles is not conclusive. Hence, keeping in view the reasons mentioned in Para 6, we direct the LICI to pay Rs.25,000/- (Rupees Twenty Five Thousand Only) as ex-gratia payment which will meet the ends of justice.

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Death Claim

Kolkata Ombudsman Centre

Case No. 558/21/005/L/12/08-09

Smt. Kiran Bhartia
vs.

HDFC Standard Life Insurance Co. Ltd

Award Dated : 31.03.2009

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against repudiation of death-claim.

The complainant is the nominee (wife) of deceased life assured (DLA) of policy no. 11108248. The DLA had taken a policy no. 11108248 (Unit Linked Suvidha) from HDFC Standard Life Insurance Co. Ltd., for 10 years with Date of Commencement (DOC) : 09/06/2007 and yearly premium of Rs.50,000/-. The Life Assured (LA) expired on 09.07.2007 due to C.R.F. The complainant submitted the claim forms but the insurer denied the claim. As per the letter dated 19.06.2008 of the insurer addressed to complainant, as the LA has died of cause other than accidental within 90 days period from the DOC, they were unable to proceed in payment of the claim. The complainant had made several follow-ups but received no positive response. So, she approached this Forum seeking justice for aforesaid grievance. She has not submitted the P-forms till date.

The Self Contained Note (SCN) submitted by Insurer dated 21.01.2009 confirmed that DLA had taken a policy (11108248) on his own life vide Proposal form dated 04.06.2007 for obtaining "Unit Linked Young Star Suvidha Plus Plan" policy with yearly premium of Rs.50,000/- with a term of 10 years. The death intimation of LA was received from the complainant on 14.02.2008. The claim forms were submitted on 19.02.2008 wherein it was found that DLA expired on 09.07.2007 at 12.25 P.M. due to Cardio Respiratory Failure. DLA consulted Dr. Lal Kumar Mishra (M.B.B.S., C.A.S. P.H.C.) due to pain in chest & sweating. The insurer had replied to the complainant vide letter dated 27.02.2008 that as per policy document the claim was not payable as the LA died of cause other than accidental within a month of the commencement of the coverage. The complainant then appealed for refund of the premium but the insurer turned down the request on the same ground. They gave their consent for Insurance Ombudsman to act as a mediator.

HEARING:

In response to a notice of hearing both the parties attended. The complainant was represented by her brother.

The representative of the insurance company stated that the insured took a policy called Unit Linked Suvidha Plus Plan and paid a premium of Rs.50,000/- for 10 years term. However, the LA died on 09/07/07 within one month from the date of commencement of the policy i.e., 09/06/07. She further stated that as per the policy condition any death that takes place before 91 days from the inception of the policy other than accidental death, the sum assured is not payable. The death benefit clause mentioned in the policy document is as under :-

> *"If the Life Assured dies before the expiry date of this benefit, the sum assured stated against death benefit in the Schedule of Benefits shall be payable subject to Provision 17. The policy continued to be in-force until the expiry date and Provision 5 (iii) will not apply. All premiums becoming payable between the date of death and the expiry date will be paid by us into the policy on your behalf, as and when premiums would have been due to be paid by you. The total amount of this payment in any year is stated under Annual Premium Waiver I the Schedule of Benefits in case of accidental death. Risk cover will commence from the date of commencement or the date of issue or date of revival of the policy, whichever is later. In case of non-accidental death, risk cover will commence from the 91st day after the date of commencement or the 91st day after the date of issue or the 91st day after the date of revival of the policy, whichever is later."*

Therefore, the representative of the insurance company stated that they have correctly repudiated the claim. When she was asked what would happen to the investment portion of the premium charged, she stated that under policy condition even that is forfeited.

The complainant was informed of the position that the policy condition does not allow the payment of death-claim due to the above clause. However, he was informed that the portion of

premium amount which is invested by the Company in units would be refunded to him, and not the full amount of refund claimed by him.

DECISION

On going through the evidence available, we are not able to agree with the fact that even the investment portion of the premium is not refundable. According to us, the investment portion always belongs to the assured and has to be refunded to the nominee of the policy if the death-claim is not payable. Therefore, we direct the insurance company to pay Rs.20,000/- (Rupees Twenty Thousand only) which is the amount as per the allocation rate mentioned in the policy document in the case of 1st year regular premiums. In this case, as the premium charged is Rs.50,000/-, the allocation rate will be 40% of the same and therefore, would amount to Rs.20,000/-. The insurance company is directed to pay the amount

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LUCKNOW

Lucknow Ombudsman Centre

Case No.L-321/21/001/08-09

Shri. Raja Ram

Vs

LIC OF INDIA

Award Dated : 26.12.2008

Complaint filed against LIC of India by Shri.Raja Ram in respect of non-payment of death claim on the life of his wife Smt.Radha.

Facts : : Smt.Radha, a housewife, aged about 38 years took out a policy from LIC of India for a S.A. of Rs.50,000/- vide proposal dated 28.11.2005. The insured died on 9.2.2007 due to high grade non Hodgkin's Lymphoma. The respondent repudiated the claim vide their letter dated

24.3.07 on the ground that LA made incorrect statement regarding her occupation and income. She was simply a housewife but she declared herself as a self employed lady in the proposal form. The contention of the respondent is that the LA gave wrong information about her occupation and income thereby suppressing material facts in the proposal for insurance which if disclosed would not have accepted the proposal.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter, the complainant approached this forum giving rise to this complaint.

Findings : On careful perusal of the records it was observed that as per the investigation report of the respondent the LA was not a self employed lady and was simply a housewife and entirely dependent on her husband. Moreover the complainant himself accepted vide his letter that LA had no income and was entirely dependent on his income. Since the statement was signed by the complainant himself it carries a great deal of weight.

Decision : Held that disclosure of truthful information at the time of proposal is very essential because this information is very important for the risk assessment of the life of the life proposed. Income and occupation is a very important factor while deciding the admissibility of the proposal on the life of a female proponent. Here it is evident from the letter of the complainant procured at the time of claim investigation that the LA was not a self employed lady and is entirely dependent on him contrary to the information given by the LA at the time of the proposal thereby violating the principle of utmost good faith.The repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-379/21/001/08-09

Shri. Nand Kishore Jaiswal

Vs

LIC OF INDIA

Award Dated : 12.12.2008

Complaint filed against LIC of India by Shri.Nand Kishore Jaiswal in respect of non-payment of death claim on the life of his wife Smt.Maya Devi.

Facts : Smt.Maya Devi, aged about 45 years took out a policy from LIC of India for a S.A. of Rs.50,000/- vide proposal dated 28.11.2004. The insured died on 7.11.2005 due to cardio respiratory failure. The respondent repudiated the claim vide their letter dated 2.5.06 on the ground that LA made incorrect statement regarding her occupation and income and her husband's insurance was less than that of hers. The contention of the respondent is that the LA was a category III lady with no earned income of her own but she declared herself as a self employed lady with an income of Rs.30,000/- in the proposal form. Hence the LA could obtain the insurance cover equivalent to that of her husband only.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter, the complainant approached this forum giving rise to this complaint.

Findings : On careful perusal of the records it was observed that as per the investigation report of the respondent the LA was not a self employed lady and was simply a housewife and entirely dependent on her husband. Moreover the complainant himself had no matching insurance but the respondent did not provide any cogent evidence to the cause of rejection. Rather two of their officials at the time of proposal have confirmed that the income of the LA is Rs.45,000/-.

Decision: Held that it is not fair on the part of the respondent to question the very issue at the time of claim which is already verified and counter confirmed by its two officials at the time of proposal itself and avoid its liability only on the basis of presumption. Presumption however strong cannot substitute the proof. It is plainly evident that action taken by the respondent is not based on strong and sustainable evidence thereby not fulfilling the three limbs of sec.45. The repudiation of the claim under the policy was therefore set aside and complainant nominee awarded full sum assured with accrued bonuses if any under the policy.

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Lucknow Ombudsman Centre

Case No.L-151/21/001/08-09

Shri.Hashmat Ali Aarif

Vs

LIC of India

Award Dated : 17.11.2008

Complaint filed against LIC of India by Hashmat Ali Aarif in respect of non-payment of death claim on the life of his daughter Kum. Shaheen.

Facts : Kum.Shaheen, aged about 25 years, took out a policy from LIC of India for a S.A. of Rs.25,000/ vide proposal dated 28.01.2001. The insured died on 10.4.2001 due to cholera. The respondent repudiated the claim vide their letter dated 25.9.2007 on the ground that the claim was intimated on 11.2.2006 i.e. after 5 years and 8 months from the date of death so the claim is time barred.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that duration of the policy is only 2 months and 13 days. The claim intimation has been given on 11.2.06 i.e. after 5 years and 8 months from the date of death of the LA. The complainant has submitted that since the policy papers were missing, he could not inform the insurer, though the complainant himself had been an agent of the corporation.

Decision : Held that the complainant being an agent himself must be aware of the fact that the claim intimation has nothing to do with the policy documents and it may be lodged without policy documents on the strength of an indemnity bond. His explanation is devoid of logic and not acceptable and there was inordinate delay in intimating the claim which resulted in non availability of record with the respondents also. The repudiation of the claim under the policy was however, held to be in order.

Lucknow Ombudsman Centre

Case No.L-227/21/Icici/08-09

Kum.Prabha

Vs

ICICI Prudential Life Insurance Co. Ltd..

Award Dated : 22.12.2008

Complaint filed against ICICI Prudential Life Insurance Co. Ltd. by Ku. Prabha in respect of non-payment of death claim on the life of her father Shri.Kunware Lal.

Facts : Shri.Kunware Lal, aged about 57 years, by occupation a govt. servant, took out a life time super saver policy for 15 years from ICICI Prudential Life Insurance Co. Ltd. for a S.A. of Rs.2,50,000/- vide proposal dated 30.01.2007. The insured died on 18.08.2007 due to Heart Attack. The respondent repudiated the claim vide their letter dated 30.01.2008 on the ground that he was suffering from heart disease and had undergone a Percutaneous Transluminal Coronory Angioplasty with stent in 2 years prior to the date of proposal but he did not disclose the same in the proposal form. The contention of the respondent is that the assured suppressed material facts in the application for insurance which if disclosed would have not accepted the proposal.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the following counts-

Progress record of Narinder Mohan Hospital & Research Center, Mohan Nagar, Ghaziabad wherein it is clearly mentioned that the DLA had a history of DM, CAD and P/PTCA and stent 2 years back, COPD, Br. Asthma at the time of hospitalization i.e. 18.8.07. It is also mentioned that the LA had undergone Percutaneous Transluminal Coronory Angioplasty(PTCA) two years prior to the date of hospitalization ie. he had undergone PTCA well before the date of proposal.

Decision : It is not in dispute that the LA was suffering from DM and other diseases mentioned in the progress report, what has been disputed by the respondent is the duration of illness and the precise time since when the fact of illness is known to LA. The duration of the policy is less than seven months and the progress report shows that the LA was suffering from illness prior to the date of proposal. Held that the DLA had deliberately suppressed material facts in the proposal form thereby violating the contract of Uberrima fides and sec 45 also not in favour of the insured the repudiation of the claim under the policy was therefore, held to be in order.

Case No.L-367/21/001/08-09

Smt.Phoolmati Devi

Vs

L.I.C.OF INDIA

Award Dated : 26.11.2008

Complaint filed against LIC of India by Smt.Phoolmati Devi in respect of non-payment of death claim on the life of her husband Shri.Gopal Singh.

Facts : Shri.Gopal Singh, aged about 55 years, took out a policy from LIC of India for a S.A. of Rs.1,00,000/- vide proposal dated 30.05.2005. The insured died on 13.08.2007 due to Tuberculosis. The respondent repudiated the claim vide their letter dated 30.04.2008 on the ground that he has physical deformity prior to the date of proposal but he did not disclose the same in the proposal form. The contention of the respondent is that the assured suppressed material facts in the application for insurance which if disclosed would have affected the underwriting of the life covered.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the following counts-

Handicap certificate in accordance with the G.O. No.7/4 issued by CMO Ballia dated 13.2.1990 which also contains the picture of the LA and wherein doctor has clearly stated that the LA is a case of partial disability of knee joint of 40%. It is also observed that the DLA had delivered the proposal form to none else but the agent of the respondent himself and medical certificate of the medical officer appointed by the respondent also confirms that the information in the proposal form is true.

Decision: Held that if the DLA was handicapped then such facts would have come to light by the reports submitted by the medical examiner and the agent respectively at the time of proposal and the respondent could have declined to accept the proposal on this ground. Moreover, DLA had indisputably died due to tuberculosis which has nothing to do with the old handicapped status.

The repudiation of the claim was, therefore, set aside and the complainant nominee awarded full sum assured with accrued bonus, if any available under the policy.

Lucknow Ombudsman Centre

Case No.L-456/21/001/08-09

Smt.Shilpy Sahay

Vs

LIC of India.

Award Dated : 28.01.2009

Complaint filed against LIC of India by Smt.Shilpy Sahay in respect of non-payment of death claim on the life of her husband Shri.Sulabh Sahay.

Facts : Shri.Sulabh Sahay, aged about 26 years, by occupation a businessman, took out a policy from LIC of India for a S.A. of Rs.50,000/- vide proposal dated 28.03.2006. The insured committed suicide on 3.5.2006. The respondent repudiated the claim vide their letter dated 11.08.07 on the ground that he had committed suicide within one year from the date of commencement. The contention of the respondent is that the LA had committed suicide within one year from the date of commencement and there is an express condition in the policy bond that if the LA commits suicide after the date of the risk but before the expiry of one year from the date of commencement then the policy shall be void.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter, the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the following counts-

The DLA had committed suicide within one year from the date of commencement and there is an express condition in the policy bond that the policy should be void if the LA commits suicide (whether sane or insane) at any time on or after the date on which the risk under the policy has commenced but before the expiry of one year from the date of commencement of risk under the

policy. The complainant however clarified that three persons abetted the assured to commit the suicide and it is not a normal suicide.

Decision: Although the DLA had committed suicide due to abetment by others but such distinction may have affect only in criminal law and as to the quantum of punishment. It will not however, make any difference to the act of suicide itself. The repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-482/21/001/08-09

Shri.Makhdoo Singh

Vs

LIC of India.

Award Dated: 12.12.2008

Complaint filed against LIC of India by Shri.Makhdoo Singh in respect of non-payment of death claim on the life of his wife Smt.Phoolwasi Devi.

Facts: Smt.Phoolwasi Devi, a self employed lady, aged about 47 years, took out a policy from LIC of India for a S.A. of Rs.1,00,000/- vide proposal dated 30.09.2005. The insured died suddenly on 17.7.2007. The respondent repudiated the claim vide their letter dated 26.3.2008 on the ground that the deceased life assured had understated her age by 10 years in the proposal form. The contention of the respondent is that the DLA's age was around 57 years whereas she had declared herself as being 47 years. The age was understated to such an extent that facilitated the underwriting of the proposal on non-standard age proof i.e. declaration of age.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings: On careful examination of all the documents the forum found that the claim was rejected by the respondent on the contention that the age of the DLA was 55 years in January 2005 as per electoral roll of Panchayat Election, 2005. The respondent has also submitted the

identity card of ex-serviceman Shri.Sita Ram Singh, the son of the DLA which shows the date of birth as 4.9.1965.This implies that the DLA was only 7 years at the time of birth of her first issue which is pre-posterous.

Decision: Held that Gross understatement of age knowingly and purposefully, as alleged by the respondent to such an extent so that insurance can be sought on the strength of Non-Standard Age Proof i.e. declaration of age, obviously with an intention to take an unfair advantage, the repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-515/21/001/08-09

Smt.Ram Taji Devi

Vs

LIC of India.

Award Dated : 22.01.2009

Complaint filed against LIC of India by Smt.Ram Taji Devi in respect of non-payment of death claim on the life of her husband Shri.Panch Deo Singh.

Facts : Shri.Panch Deo Singh, aged about 55 years, took out a policy from LIC of India for a S.A. of Rs.1,00,000/- vide proposal dated 17.2.2007. The insured died on 23.6.2007 due to diarrhea. The respondent company repudiated the claim vide their letter dated 26.2.2008 on the ground that he was suffering from Hepatitis and Chronic Liver Disease prior to the date of the proposal and was on medical leave from 26.6.2006 to 28.8.2006 (63 days) but he did not disclose the same in the proposal form.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise this complaint.

Findings : On careful examination of all the documents the forum found that the respondent has relied on leave application and medical certificate which was submitted by the assured to his employer for the purpose of obtaining leave, in support of its repudiation. The duration of policy

is 4 months 4 days from the date of inception. The complainant did not deny that the assured had applied for medical leave for undergoing treatment of hepatitis but she went ahead to clarify that actually the leave was taken to perform some agricultural work.

Decision : Held that it was the first insurance on the life of the DLA at the age of 55 years which shows that the DLA was not an insurance minded person. Moreover the disease was not disclosed in the proposal form. It is clear that suppression is of material nature and was very much in the knowledge of the LA. Section 45 of the Insurance Act, 1938 not being in the favour of the insured, the repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-771/26/009/08-09

Smt.Kanchan Sisodia

Vs

Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 25.11.2008

Complaint filed against LIC of India by Smt.Kanchan Sisodia in respect of non-payment of death claim on the life of her husband Shri.Amit Sisodia.

Facts : Shri.Amit Sisodia, aged about 31 years, by occupation a businessman, took out two policies namely Unit Gain Plus Plan and Child Gain 21 Plus on the life of his son with premium waiver benefit from Bajaj Allianz General Insurance Co. Ltd. for a S.A. of Rs.2,50,000/ and 1,00,000/- respectively vide proposals dated 23.12.05 and 13.1.06 respectively. The insured died on 25.1.2006 due to Chronic ischemic illness of the heart. The respondent repudiated the claim vide their letter dated 19.6.2006 on the ground that the DLA had suppressed the fact in the proposal form that he had been suffering from hypertension and underwent medical tests like Treadmill test, USG abdomen, Blood and Urine test and was put on medication prior to the date of the proposal.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the contention that as per prescription of doctor dated 14.6.05 the DLA was suggested low salt intake and fat free diet as he was hypertensive. He was also advised a series of tests which he had undergone on 15.6.05. Though all the tests, except TMT report (which mentions "hypertensive" against the clinical background) do not suggest anything very abnormal. Thereafter he was put on medication by Dr.Sharma on 17.6.05.The disclosure of the truthful information would have enabled the underwriter to make a true and fair assessment of the life to be assured. All the records available are actual and there is no scope to doubt their veracity.

Decision : Held that the DLA had made wrong statements about his state of health in the proposal form rather he had expressively made a misstatement that he had not visited a doctor in last 10 years. The fact that his death is due to Chronic ischemic illness of the heart also corroborates the state of his health immediately prior to his date of proposal. The repudiation of the claim under the policy was, held to be in order and premium waiver benefit was also not allowed on the policy issued on the life of the child.

Lucknow Ombudsman Centre

Case No.L-321/21/001/08-09

Shri. Raja Ram

Vs

LIC OF INDIA

Award Dated : 26.12.2008

Complaint filed against LIC of India by Shri.Raja Ram in respect of non-payment of death claim on the life of his wife Smt.Radha.

Facts : : Smt.Radha, a housewife, aged about 38 years took out a policy from LIC of India for a S.A. of Rs.50,000/- vide proposal dated 28.11.2005. The insured died on 9.2.2007 due to high grade non Hodgkin's Lymphoma. The respondent repudiated the claim vide their letter dated 24.3.07 on the ground that LA made incorrect statement regarding her occupation and income. She was simply a housewife but she declared herself as a self employed lady in the proposal form. The contention of the respondent is that the LA gave wrong information about her

occupation and income thereby suppressing material facts in the proposal for insurance which if disclosed would not have accepted the proposal.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter, the complainant approached this forum giving rise to this complaint.

Findings : On careful perusal of the records it was observed that as per the investigation report of the respondent the LA was not a self employed lady and was simply a housewife and entirely dependent on her husband. Moreover the complainant himself accepted vide his letter that LA had no income and was entirely dependent on his income. Since the statement was signed by the complainant himself it carries a great deal of weight.

Decision : Held that disclosure of truthful information at the time of proposal is very essential because this information is very important for the risk assessment of the life of the life proposed. Income and occupation is a very important factor while deciding the admissibility of the proposal on the life of a female proponent. Here it is evident from the letter of the complainant procured at the time of claim investigation that the LA was not a self employed lady and is entirely dependent on him contrary to the information given by the LA at the time of the proposal thereby violating the principle of utmost good faith.The repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-379/21/001/08-09

Shri. Nand Kishore Jaiswal

Vs

LIC OF INDIA

Award Dated : 12.12.2008

Complaint filed against LIC of India by Shri.Nand Kishore Jaiswal in respect of non-payment of death claim on the life of his wife Smt.Maya Devi.

Facts : Smt.Maya Devi, aged about 45 years took out a policy from LIC of India for a S.A. of Rs.50,000/- vide proposal dated 28.11.2004. The insured died on 7.11.2005 due to cardio respiratory failure. The respondent repudiated the claim vide their letter dated 2.5.06 on the ground that LA made incorrect statement regarding her occupation and income and her husband's insurance was less than that of hers. The contention of the respondent is that the LA was a category III lady with no earned income of her own but she declared herself as a self

employed lady with an income of Rs.30,000/- in the proposal form. Hence the LA could obtain the insurance cover equivalent to that of her husband only.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter, the complainant approached this forum giving rise to this complaint.

Findings : On careful perusal of the records it was observed that as per the investigation report of the respondent the LA was not a self employed lady and was simply a housewife and entirely dependent on her husband. Moreover the complainant himself had no matching insurance but the respondent did not provide any cogent evidence to the cause of rejection. Rather two of their officials at the time of proposal have confirmed that the income of the LA is Rs.45,000/-.

Decision: Held that it is not fair on the part of the respondent to question the very issue at the time of claim which is already verified and counter confirmed by its two officials at the time of proposal itself and avoid its liability only on the basis of presumption. Presumption however strong cannot substitute the proof. It is plainly evident that action taken by the respondent is not based on strong and sustainable evidence thereby not fulfilling the three limbs of sec.45. The repudiation of the claim under the policy was therefore set aside and complainant nominee awarded full sum assured with accrued bonuses if any under the policy.

. Lucknow Ombudsman Centre

Case No.L-151/21/001/08-09

Shri.Hashmat Ali Aarif

Vs

LIC of India

Award Dated : 17.11.2008

Complaint filed against LIC of India by Hashmat Ali Aarif in respect of non-payment of death claim on the life of his daughter Kum. Shaheen.

Facts : Kum.Shaheen, aged about 25 years, took out a policy from LIC of India for a S.A. of Rs.25,000/ vide proposal dated 28.01.2001. The insured died on 10.4.2001 due to cholera. The respondent repudiated the claim vide their letter dated 25.9.2007 on the ground that the claim

was intimated on 11.2.2006 i.e. after 5 years and 8 months from the date of death so the claim is time barred.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that duration of the policy is only 2 months and 13 days. The claim intimation has been given on 11.2.06 i.e. after 5 years and 8 months from the date of death of the LA. The complainant has submitted that since the policy papers were missing, he could not inform the insurer, though the complainant himself had been an agent of the corporation.

Decision : Held that the complainant being an agent himself must be aware of the fact that the claim intimation has nothing to do with the policy documents and it may be lodged without policy documents on the strength of an indemnity bond. His explanation is devoid of logic and not acceptable and there was inordinate delay in intimating the claim which resulted in non availability of record with the respondents also. The repudiation of the claim under the policy was however, held to be in order.

Lucknow Ombudsman Centre

Case No.L-227/21/Icici/08-09

Kum.Prabha

Vs

ICICI Prudential Life Insurance Co. Ltd..

Award Dated : 22.12.2008

Complaint filed against ICICI Prudential Life Insurance Co. Ltd. by Ku. Prabha in respect of non-payment of death claim on the life of her father Shri.Kunware Lal.

Facts : Shri.Kunware Lal, aged about 57 years, by occupation a govt. servant, took out a life time super saver policy for 15 years from ICICI Prudential Life Insurance Co. Ltd. for a S.A. of Rs.2,50,000/- vide proposal dated 30.01.2007. The insured died on 18.08.2007 due to Heart Attack. The respondent repudiated the claim vide their letter dated 30.01.2008 on the ground that he was suffering from heart disease and had undergone a Percutaneous Transluminal Coronory

Angioplasty with stent in 2 years prior to the date of proposal but he did not disclose the same in the proposal form. The contention of the respondent is that the assured suppressed material facts in the application for insurance which if disclosed would have not accepted the proposal.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the following counts-

Progress record of Narinder Mohan Hospital & Research Center, Mohan Nagar, Ghaziabad wherein it is clearly mentioned that the DLA had a history of DM, CAD and P/PTCA and stent 2 years back, COPD, Br. Asthma at the time of hospitalization i.e. 18.8.07. It is also mentioned that the LA had undergone Percutaneous Transluminal Coronory Angioplasty(PTCA) two years prior to the date of hospitalization ie. he had undergone PTCA well before the date of proposal.

Decision : It is not in dispute that the LA was suffering from DM and other diseases mentioned in the progress report, what has been disputed by the respondent is the duration of illness and the precise time since when the fact of illness is known to LA. The duration of the policy is less than seven months and the progress report shows that the LA was suffering from illness prior to the date of proposal. Held that the DLA had deliberately suppressed material facts in the proposal form thereby violating the contract of Uberrima fides and sec 45 also not in favour of the insured the repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-367/21/001/08-09

Smt.Phoolmati Devi

Vs

L.I.C.OF INDIA

Award Dated : 26.11.2008

Complaint filed against LIC of India by Smt.Phoolmati Devi in respect of non-payment of death claim on the life of her husband Shri.Gopal Singh.

Facts : Shri.Gopal Singh, aged about 55 years, took out a policy from LIC of India for a S.A. of Rs.1,00,000/- vide proposal dated 30.05.2005. The insured died on 13.08.2007 due to

Tuberculosis. The respondent repudiated the claim vide their letter dated 30.04.2008 on the ground that he has physical deformity prior to the date of proposal but he did not disclose the same in the proposal form. The contention of the respondent is that the assured suppressed material facts in the application for insurance which if disclosed would have affected the underwriting of the life covered.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the following counts-

Handicap certificate in accordance with the G.O. No.7/4 issued by CMO Ballia dated 13.2.1990 which also contains the picture of the LA and wherein doctor has clearly stated that the LA is a case of partial disability of knee joint of 40%. It is also observed that the DLA had delivered the proposal form to none else but the agent of the respondent himself and medical certificate of the medical officer appointed by the respondent also confirms that the information in the proposal form is true.

Decision: Held that if the DLA was handicapped then such facts would have come to light by the reports submitted by the medical examiner and the agent respectively at the time of proposal and the respondent could have declined to accept the proposal on this ground. Moreover, DLA had indisputably died due to tuberculosis which has nothing to do with the old handicapped status. The repudiation of the claim was, therefore, set aside and the complainant nominee awarded full sum assured with accrued bonus, if any available under the policy.

Lucknow Ombudsman Centre

Case No.L-456/21/001/08-09

Smt.Shilpy Sahay

Vs

LIC of India.

Award Dated : 28.01.2009

Complaint filed against LIC of India by Smt.Shilpy Sahay in respect of non-payment of death claim on the life of her husband Shri.Sulabh Sahay.

Facts : Shri.Sulabh Sahay, aged about 26 years, by occupation a businessman, took out a policy from LIC of India for a S.A. of Rs.50,000/- vide proposal dated 28.03.2006. The insured committed suicide on 3.5.2006. The respondent repudiated the claim vide their letter dated 11.08.07 on the ground that he had committed suicide within one year from the date of commencement. The contention of the respondent is that the LA had committed suicide within one year from the date of commencement and there is an express condition in the policy bond that if the LA commits suicide after the date of the risk but before the expiry of one year from the date of commencement then the policy shall be void.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee and this committee concurred with the decision of respondents. Thereafter, the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the following counts-

The DLA had committed suicide within one year from the date of commencement and there is an express condition in the policy bond that the policy should be void if the LA commits suicide (whether sane or insane) at any time on or after the date on which the risk under the policy has commenced but before the expiry of one year from the date of commencement of risk under the policy. The complainant however clarified that three persons abetted the assured to commit the suicide and it is not a normal suicide.

Decision: Although the DLA had committed suicide due to abetment by others but such distinction may have affect only in criminal law and as to the quantum of punishment. It will not however, make any difference to the act of suicide itself. The repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-482/21/001/08-09

Shri.Makhdoo Singh

Vs

LIC of India.

Award Dated: 12.12.2008

Complaint filed against LIC of India by Shri.Makhdoo Singh in respect of non-payment of death claim on the life of his wife Smt.Phoolwasi Devi.

Facts: Smt.Phoolwasi Devi, a self employed lady, aged about 47 years, took out a policy from LIC of India for a S.A. of Rs.1,00,000/- vide proposal dated 30.09.2005. The insured died suddenly on 17.7.2007. The respondent repudiated the claim vide their letter dated 26.3.2008 on the ground that the deceased life assured had understated her age by 10 years in the proposal form. The contention of the respondent is that the DLA's age was around 57 years whereas she had declared herself as being 47 years. The age was understated to such an extent that facilitated the underwriting of the proposal on non-standard age proof i.e. declaration of age.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings: On careful examination of all the documents the forum found that the claim was rejected by the respondent on the contention that the age of the DLA was 55 years in January 2005 as per electoral roll of Panchayat Election, 2005. The respondent has also submitted the identity card of ex-serviceman Shri.Sita Ram Singh, the son of the DLA which shows the date of birth as 4.9.1965.This implies that the DLA was only 7 years at the time of birth of her first issue which is pre-posterous.

Decision: Held that Gross understatement of age knowingly and purposefully, as alleged by the respondent to such an extent so that insurance can be sought on the strength of Non-Standard Age Proof i.e. declaration of age, obviously with an intention to take an unfair advantage, the repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-515/21/001/08-09

Smt.Ram Taji Devi

Vs

LIC of India.

Award Dated : 22.01.2009

Complaint filed against LIC of India by Smt.Ram Taji Devi in respect of non-payment of death claim on the life of her husband Shri.Panch Deo Singh.

Facts : Shri.Panch Deo Singh, aged about 55 years, took out a policy from LIC of India for a S.A. of Rs.1,00,000/- vide proposal dated 17.2.2007. The insured died on 23.6.2007 due to diarrhea. The respondent company repudiated the claim vide their letter dated 26.2.2008 on the ground that he was suffering from Hepatitis and Chronic Liver Disease prior to the date of the proposal and was on medical leave from 26.6.2006 to 28.8.2006 (63 days) but he did not disclose the same in the proposal form.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise this complaint.

Findings : On careful examination of all the documents the forum found that the respondent has relied on leave application and medical certificate which was submitted by the assured to his employer for the purpose of obtaining leave, in support of its repudiation. The duration of policy is 4 months 4 days from the date of inception. The complainant did not deny that the assured had applied for medical leave for undergoing treatment of hepatitis but she went ahead to clarify that actually the leave was taken to perform some agricultural work.

Decision : Held that it was the first insurance on the life of the DLA at the age of 55 years which shows that the DLA was not an insurance minded person. Moreover the disease was not disclosed in the proposal form. It is clear that suppression is of material nature and was very much in the knowledge of the LA. Section 45 of the Insurance Act, 1938 not being in the favour of the insured, the repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-771/26/009/08-09

Smt.Kanchan Sisodia

Vs

Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 25.11.2008

Complaint filed against LIC of India by Smt.Kanchan Sisodia in respect of non-payment of death claim on the life of her husband Shri.Amit Sisodia.

Facts : Shri.Amit Sisodia, aged about 31 years, by occupation a businessman, took out two policies namely Unit Gain Plus Plan and Child Gain 21 Plus on the life of his son with premium waiver benefit from Bajaj Allianz General Insurance Co. Ltd. for a S.A. of Rs.2,50,000/ and 1,00,000/- respectively vide proposals dated 23.12.05 and 13.1.06 respectively. The insured died on 25.1.2006 due to Chronic ischemic illness of the heart. The respondent repudiated the claim vide their letter dated 19.6.2006 on the ground that the DLA had suppressed the fact in the proposal form that he had been suffering from hypertension and underwent medical tests like Treadmill test, USG abdomen, Blood and Urine test and was put on medication prior to the date of the proposal.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the contention that as per prescription of doctor dated 14.6.05 the DLA was suggested low salt intake and fat free diet as he was hypertensive. He was also advised a series of tests which he had undergone on 15.6.05. Though all the tests, except TMT report (which mentions “hypertensive” against the clinical background) do not suggest anything very abnormal. Thereafter he was put on medication by Dr.Sharma on 17.6.05.The disclosure of the truthful information would have enabled the underwriter to make a true and fair assessment of the life to be assured. All the records available are actual and there is no scope to doubt their veracity.

Decision : Held that the DLA had made wrong statements about his state of health in the proposal form rather he had expressively made a misstatement that he had not visited a doctor in last 10 years. The fact that his death is due to Chronic ischemic illness of the heart also corroborates the state of his health immediately prior to his date of proposal. The repudiation of the claim under the policy was, held to be in order and premium waiver benefit was also not allowed on the policy issued on the life of the child.

MUMBAI

MUMBAI INSURANCE OMBUDSMAN

Complaint No. LI - 242 of 2008-2009
Award No. IO/MUM/A/ 236 /2008-2009
Complainants : Shri Nageshwar S. Nithuri

Shri Rajesh S. Nithuri
Ms. Sarita S. Nithuri
V/s
Respondent : Max New York Life Insurance Company Ltd.

AWARD DATED 27.10.2008

Mrs. Laxmi Shivshankar Rao Nithuri had taken Whole Life Insurance Policy No.263272742 from Max New York Life Insurance Company Ltd. The Sum Insured was Rs.2.00 lakhs. The premium amount was Rs.1,734.16 under Quarterly mode. The effective date of coverage was 30.09.2005.

Mrs. Laxmi Shivshankar Rao Nithuri expired on 28.02.2008 due to Brain Hemorrhage. The claim was preferred by her sons but refused by the Insurer on the grounds of non-disclosure of material facts about her health.
However, as per the following records it has been confirmed that late Smt. Laxmi Nithuri was a known case of Rheumatic Arthritis, Severe Anaemia and Rheumatic Lung Disease since December 2004 i.e. prior to signing the proposal on 30.09.2005.

- Discharge Card dated 01.12.2004 from Shivneri Hospital, Ulhasnagar
- Prescription dated 06.12.2004 from Shivneri Hospital Ulhasnagar.
- Medical Report dated 24.03.2005 from LTMG Hospital

I In the light of the above information, the death claim was declined against the above policy for reasons of material medical non-disclosure of Rheumatic Arthritis, Severe Anaemia and Rheumatic Lung Disease since December 2004 i.e., prior to Proposal signing by Late Smt. Laxmi Nithuri.

MUMBAI OMBUDSMAN OFFICE

Complaint No. LI -236 (08-09)

Award No. IO/MUM/A/ 402 /2008-2009

Complainant : Smt. Jyoti Sanjay Gaikwad
V/s

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

AWARD DATED 2.2.2009

Shri Sanjay Dinkar Gaikwad had taken a Life Insurance Policy from LIC with SA 50,000/- under Plan/Term 133-16. The policy lapsed on 1.6.2005 and was revived on 15.6.2006.

Shri Sanjay Dinkar Gaikwad expired on 22.07.2006 due to Progressive Muscular with Chronic Renal Failure. LIC 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 reviving the policy.

The documents on record have been perused. As per the Medical Attendants Certificate (Claim Form B), the primary cause of death was CRF with Pul. Odema. The Secondary cause was - Multiple Sclerosis, progressive muscular disorder. The Certificate of Hospital Treatment (Claim Form B-1) dated 20.04.2007 signed by Dr. P.G. Ghatole, MS Gen. Surgery, states that Shri Gaikwad was admitted at Shri Basaveshwar Hospital. on 20.07.2006 and was treated by Dr. P.G. Ghatole. At the time of admission he had not passed urine and was mentioned as old case of multiple sclerosis – 2 years – from May 2004. The diagnosis arrived at the hospital was "Progressive muscular disorder with CRF with Pul. edema. He was discharged on 21.07.2006 and his condition at the time of discharge was mentioned as "serious last stage". The Insurer has produced by way of evidence, hospital case papers where the DLA was hospitalized in Poona Hospital and Research Centre from 21.05.2004 to 21.05.2004 and from 28.05.2005 to 01.06.2005.

No doubt that the Insured had not disclosed the information for hospitalization as stated by the Insurance Company, but it is equally important to note that the Life Assured was medically examined by the panel doctor of the Insurer and a person who can't stand without support has been found medically fit by this Doctor. Even the Agent, who has witnessed and insured the Life Assured, did not point out this visible problem. If the insurance company takes the benefit of the history noted in the hospital records, they should also take responsibility for the mistake committed by their own Doctor. He DLA had paid Rs.13,682 for revival of the policy. However, looking to the Socio-economic background and the appeal made by the complainant, an ex-gratia payment of Rs.25,000/- was awarded to the claimant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 049 (2008-2009)

Award No. IO/MUM/A/ 266 /2008-2009

Complainant : Rafiquddin Islamuddin Kazi

V/s

Respondent : Life Insurance Corporation of India, Amravati D.O.

AWARD DATED 24.11.2008

Smt. Sulekhabegum Islamuddin Kazi had taken Life Insurance Policy No.822923594 from LIC, Amravati Divisional Office. The SA was Rs.50,000/-, The DOC was 13.2.07.

Smt. Sulekhabegum Islamuddin Kazi expired on 20.05.2007 due to BP Attach and Fever. When the claim was preferred by her son Shri Rafiquddin Islamuddin Kazi, LIC repudiated the claim on account of the deceased having withheld correct information regarding her health at the time of effecting the assurance.

The documents produced have been perused. As per the Medical Attendant's Certificate (Claim Form B) dated 04.08.2007 issued by Dr. Bhutada, the life assured expired at home on 20.05.2007 and the cause of death not known. However, as per the history given by patient, since 4 years she had h/o Dysnoea, Breathlessness, general weakness, fever, cough. She first consulted him on 27.01.2007 and on 02.02.2207. To the question - What other diseases or illness preceded or co-existed and was reported to you – He states Hypertension, Diabetes, Asthma Bronchitis and the same was reported by the patient. She was treated by Dr. Manish Ambadkar, Warud at Arihant Hospital, Warud. According to the claimant's statement, Shri Rafiquddin Kazi, the son of the life assured states that his mother expired at home due to BP Attack and fever. He states that Dr. K.H. Bhutada was consulted on 27.01.2007 for fever and weakness and again on 02.02.2007 for fever and cough. There is a Prescription-cum-treatment details dated 09.02.2007 that reveals that the Life Assured was a k/c/o cough, pain in chest for which she took medicine. On 12.02.2007 sputum examination was conducted at Mauli Dignostic Centre, Warud. This treatment was prior to the date of FPR. This fact was not disclosed in the proposal form dated 11.02.2007. Had this fact been disclosed, the underwriting decision would have been deferred.

It is clear from the above medical records that the deceased life assured was suffering from various ailments and was under treatment for the same from medical men at the time of proposing for the above policies. The life assured did not disclose this material information in the proposal dated 11.02.2007, instead made incorrect statements regarding her health. LIC relied on the statements and the declaration made by the proposer. Had she disclosed the correct information, the underwriting decision would have been different.
In view of this legal position L.I.C cannot be faulted for repudiating the claim of on the ground of making mis-statements and withholding material information regarding health of life assured at the time of proposal.

MUMBAI OMBUDSMAN OFFICE
Complaint No. LI - 215 of 2008-2009
Award No. IO/MUM/A/ 260 /2008-2009
Complainant :Smt. Shalu N. Waghare
V/s
Respondent : The Life Insurance Corporation of India, Nagpur Divisional Office

AWARD DATED 20.11.2008

Shri Narendra Balakrushna Waghare, had taken a life Insurance Policy No.973250275 from the Life Insurance Corporation of India, Nagpur Divisional Office for sum assured Rs.1.00 lakh. The date of proposal and commencement date was from 28.03.2006. Shri Narindra Waghare expired on 12.06.2006 i.e. within just 2 months and 14 days from the date of risk. The policy therefore resulted into an early death claim. The claim was repudiated stating that the deceased life assured had withheld material information regarding his health at the time of effecting the assurance

The documents produced at this Forum have been perused. Shri Narendra Balakrushna Waghare expired on 12.06.2006 at General Hospital, Bhandra. As per the Medical Attendant's Certificate from General Hospital, Bhandara, Dr. S.S. Wane, the Medical Officer has recorded the Primary Cause of death as "Acute alcohol intoxication". To the question - were his habits sober and temperate? – the answer was "No. – Pt. was chronic alcoholic. The Sudden Death Summary, Spot Panchanama by Police, and Inquest Panchanama by Police, also state that the death was due to acute alcohol intoxication. The Sub Divisional Magistrate, Sokoli, also certifies that the death was due to heavy consumption of alcohol. The life assured expired just within two months and 14 days from the date of risk. He was noted as a chronic alcoholic in the hospital record and the cause of death was due to acute alcoholic intoxication.

The Company's rejection of the claim was due to non-disclosure of material information and denying the consumption of alcohol in the proposal for assurance by the Deceased Life Assured. Contracts of insurance are contracts Uberrima Fides and every fact of materiality must be disclosed by the party while entering into the contract. Any failure in this regard would be good ground for rescission of the contract. If there is any mis-statement or suppression of material facts, the policy can be called in question. In this case, it is established that the material information regarding consumption of alcohol by the life assured, which resulted in his death, was due to acute alcohol intoxication. The claim was rejected.

MUMBAI OMBUDSMAN CENTRE
Complaint No.LI-229 (08-09)

Award No.IO/MUM/A/ 310 /2008-2009

Complainant : Shri Shivdatta Chavan
V/s.

Respondent : Tata AIG Life Insurance Company Ltd.

AWARD DATED 17.12.2008

Shri Shivdatta Chavan, had taken a Life Insurance policy on the life of his minor son Master Parag Chavan bearing No.C000620082 from Tata AIG Life Insurance Company Ltd. The proposal was dated 23.07.2003. The Product – Mahalife with Sum Assured of Rs.50,000/-. The yearly premium payable was Rs.3,675/- with premium paying term for 12 years. The issue date of the policy was from 28.07.2003.

Master Parag Chavan expired on 14.12.2007 due to Respiratory failure due to Duchenne Muscular Dystrophy. Tata AIG Life Insurance Company Ltd. repudiated the claim stating that the insured was diagnosed of Duchene Muscular Dystrophy since May 1999 and according to their records, the information was not disclosed at the time of application for the policy. Had such information been disclosed, the underwriting decision would have been different.

The relevant records pertaining to the case have been scrutinized. As per the claimant's statement submitted to the company on 04.02.2008, it is observed that the life assured had undergone treatment by Dr. Renu Gupta for muscular dystrophy on 15.04.1999. This is also confirmed by the Report on DNA Diagnostic Tests dated 15.04.1999 of Dr. Renu Saxena, Sr. Scientist and Dr. IC. Verma, Sr. Consultant of Sir Ganga Ram Hospital, New Delhi, wherein, it is mentioned "This confirms the diagnosis of "Duchenne Muscular Dystrophy". The proof of death signed by Dr. Jayaram Shetty states the cause of death was Duchenne Muscular Dystrophy and the duration of the disease was 7 years.

It is evident from the above facts, i.e. the Claimant's Statement, the Physician's Statement and the Report on DNA Diagnostic Tests that there was a clear case of non-disclosure of material facts at the time of proposal for insurance.

it is on record that the Life Assured had been suffering from a congenital disease and had availed of treatment for it prior to the application for insurance. The very fact that the Life Assured had been taken to Sir Gangaram Hospital at New Delhi for treatment must lead to the only conclusion that the Proposer was aware of the fact that the Life Assured had been suffering from the life-threatening disease, with which he was afflicted since childhood. If he was not clear of the questions in the application for insurance, he should have asked for clarification and should have given all the details of the treatment taken at Sir Gangaram Hospital at Delhi, where even DNA Test was conducted. In the above case the proposer was very much aware of the ailment of his son had suffered and the life assured had died due to the same problem.

Looking to all the facts and circumstances, there is no valid ground to consider the claim but it will be appropriate to refund the premiums paid, except the first premium, on ex-gratia basis.

Award No. IO/MUM/A/ 365 /2008-2009

Complainant : Shri Tryambak D. Bhide

V/s

Respondent : Max New York Life Insurance Company Ltd.

AWARD DATED 14.01.2009

Smt. Mandakini Tryambak Bhide had taken a Policy viz. Life Maker Premium Unit Linked Investment 20 Year – 10 Year Pay Plan from Max New York Life Insurance Company Ltd.. The SA was 2.40 lakhs. The Risk Dt. was 18.10.07

Smt. Mandakini Tryambak Bhide expired on 23.04.2008 due to Heart Attack. Her husband Shri Tryambak. Bhide preferred the claim to the Company. The Insurer,. repudiated the claim on account of the deceased having withheld material information regarding her health at the time of effecting the assurance.

The documents produced at this Forum have been examined. As per the Attending Physician's Statement and Hospital Treatment Certificate both duly filled by Dr. D.K. Bose, Medical Director, Karuna Hospital, Smt. Mandakini T. Bhide was admitted on 21.04.2008 with h/o Giddiness since morning, H/o Syncopal attack, loss of consciousness, k/c/o Diabetes – 8 years, k/c/o IHD – Anterior Wall MI Thrombolysed in March 2008. As to the question – Did the deceased suffer from any medical ailment in the past. – the answer was k/c/o IHD – Anterior Wall MI Thrombolysed in March 2008. k/c/o DM – 8 years. The diagnosis arrived at in the hospital was Myocardial Infarction with Left Ventricular Failure in a case of IHD with DM. As per the Emergency Room case paper signed by the deceased's husband Shri T.D. Bhide, the History stated – pt. with c/o giddiness and H/o fall 3 times today morning – No LOC. K/c/o IHD. Had exterior ant. Wall MI in March 2007 & LVF & DM + HT on Rx. As per the case papers of Karuna Hospital there is a mention "Pt. is a k/c/o Diabetes – 8 years and was on OHA's. Presently on Insulin – Actiapia Mixtard.

It is also evident from the documents produced at this Forum that the DLA was a k/c/o Diabetes Mellitus and was on Insulin which indicates that her diabetes was not recent origin and which was not manageable with tablets and was therefore on Insulin. As per the history recorded in the hospital papers, the patient had anterior wall MI in March, 2007 and this was also before the date of proposal i.e. 10.10.2007. If this history would have been disclosed by the LA, the Insurer would have called for special medical reports and would not have accepted the proposal as such.

In view of this legal position, the Insurer cannot be faulted for repudiating the claim for deliberate misstatements and suppression of material facts by the life assured.

MUMBAI OMBUDSMAN OFFICE

Complaint No. LI – 238 (2008-2009)

Award No. IO/MUM/A/ 259/2008-2009

Complainant : Smt. Manju Vishwajeet Sharma

V/s

Respondent : Life Insurance Corporation of India , Mumbai D.O III

AWARD DATED 20.11.2008

Dr. Vishwajeet P. Sharma had taken a Life Insurance Policy from Life Insurance Corporation of India, The SA was Rs.2.50,000/- under Jeevan Mitra Triple Cover. The date of risk was 28.4.04

Dr. Vishwajeet P. Sharma expired on 21.04.2007 due to Cardio Respiratory Arrest, Ischemic Dilated Cardiomyopathy and End Stage Renal Disease. When the claim was preferred by his wife Smt. Manju V. Sharma, Life Insurance Corporation of India repudiated the claim vide their letter dated 28.02.2008 on account of the deceased life assured being a doctor had undergone various pathological tests viz. Haemogram, Blood Sugar, Sugar Creatinine, Lipid Profile and Urine examination on 25.05.2004 where in ESR, Cholesterol, Creatinine, Blood Urea were on higher side. He was also suffering from Hypertension and Anemia since 2 years and was a known case of CKD and was on haemodialysis regularly. He did not, however, convey these facts to the Insurance Company till and after the date of First Premium Receipt i.e. 28.05.2004.

LIC repudiated the claim on the grounds that the DLA had undergone various pathological tests (Ref. by himself) viz. Haemogram, blood sugar, sugar creatinine, lipid profile & urine examination on 25.05.2004 where in ESR, cholesterol, creatinine, blood urea were on the high side. In these medical tests the adverse findings are:-

ESR	52 mm/hr.
Creatinine	1.90 mg/dl
Blood Urea	54.0 mg/dl
BUN	25.25 mg/dl
RUA Proteins	Present ++

This office directed the Insurer to refer the case to their Central Underwriting Unit to take the opinion of the Sr. Medical Officer. They obtained the opinion which was conveyed their Divisional Office III vide their letter dated 05.11.2008 reading as under:

"The papers were put up to our Sr. Medical Officers who opined that had the disclosure about the high value of serum creatinine - 1.9 been disclosed at the time of proposal we would have declined the proposal". The proposer himself was a doctor and was very much aware of the impact of various pathological tests undergone by him on 25.05.2004, which was prior to the date of FPR. The proposal was dated 23.05.2004 i.e. he underwent these tests on the third day after signing the proposal. He had proposed for sum assured of Rs.2.5 lakhs under Plan Jeevan

Mitra Triple Cover Endowment Plan, in the event of death, three times of Basic Sum Assured the risk is covered.

There is no valid reason to interfere with the decision of the Insurer for repudiating the claim.

MUMBAI INSURANCE OMBUDSMAN

Complaint No. LI - 243 of 2008-2009
Award No. IO/MUM/A/ 222 /2008-2009
Complainant : Shri Soloman B. Mitra
V/s
Respondent : Life Insurance Corporation of India, Mumbai Division IV

AWARD DATED 17.10.2008

He expired on 12.12.2006 due to Acute Cardio Respiratory Arrest due to Aspiration Pneumonia due to Bilateral Pulmonary Tuberculosis c Hemoplysis which resulted in a early claim arising within 1 yr. And 8 months. The claim was repudiated for non-disclosure of material facts. Regarding his health at the time of Revival of his policy for the full sum assured.

LIC, stated that they had indisputable evidence to show that the Life Assured was diagnosed with Pulmonary Koch's in October, 2004 and taken Anti Koch's treatment from 18.01.2005 till 14.11.2006. Further the Life Assured's sister had expired due to Pulmonary T.B. in 2004. He did not, however disclose these facts in his said Personal Statement.

The entire records submitted to this office pertaining to the case have been scrutinized. In the Medical Attendant's Certificate – Claim Form B signed by Dr. Balasahe B K. Tak, RMO, Radhibai Watumull Global Hospital (RWGH) and also Dr. M.P. Pednekar mentions that the primary cause of death was Multidrug Resistant Billaterial Pul. Koch's Hemoplysis. The Certificate of Hospital Treatment (Claim Form B-1) states that the DLA was admitted on 14.11.2006. It is mentioned that he had Pul. Koch's diagnosed on 02.10.2004 and taken Anti Koch's Treatment for 6 months. Dr. Pednekar treated him but no relief. Again Dr. Rohini Chowgule had started AKT from 18.01.2005. The history reported at the time of admission to the hospital was – "Diagnosed Pul. Koch in 2.10.2004 – took AKT for 6 months but no relief. Again started AKT on 18.01.2005 for 9 months. H/o - Admission in RWGH 14.11.2006 to 12.12.2006. The patient himself reported the history and the patient was conscious. He had taken AKT from 18.01.2005 till he expired on 12.12.2006. In the History Sheet there are some diagrams of X-rays showing the Progressive DCT inserial X-ray of the Lungs dated 14.11.2006, where the damage to the Lungs are shown. Below this diagram it is marked 1st X-ray dated 02.10.2004 with a diagram and there are dates of X-rays mentioning June 2005, August, 2005 and December 2005. These diagrams show the progressive deterioration of the Lungs. At the time of revival of policy the DLA had also not disclosed the death of his sister who expired due

to Pulmonary T.B. in 2004 i.e. after the policy but before revival of policy. The nominee of the policy was his mother who also expired on 28.05.2006 and therefore the Title of the policy is open.

These documents clearly prove that the deceased life assured Shri Alwin S. Mitra was under treatment from 02.10.2004 under different doctors at various intervals and taking Anti Koch's Treatment.

From the above facts, it is clear that the deceased life assured suppressed material information and made misstatement regarding his health at the time of revival, thereby denied an opportunity to L.I.C to probe in the matter and take appropriate underwriting decision. The claim was refused.

MUMBAI OMBUDSMAN CEMTRE

Complaint No. LI -260 (08-09))

Award No. IO/MUM/A/ 374 /2008-2009

Complainant : Smt. Ratnaprabha Machindra Pawar

V/s

Respondent : Life Insurance Corporation of India , Nasik Divisional Office

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AWARD DATED 16.01.2009.:

Shri Machindra Ganpat Pawar had taken 5 Life Insurance Policies from LIC with SA Rs.25,000/- each. Shri Machindra Ganpat Pawar expired on 18.10.2005 due to Ca of Pharynx. LIC repudiated the claims on ground of non disclosure of material facts.

LIC of India, however, stated that they have evidence to show that the Life Assured was suffering from Cancer since 7-8 months prior to date of revival of Policy for which he took medical treatment. He did not, disclose these facts in his said Personal Statement at the time of reviving the policy. It is, therefore, evident that he made deliberate mis-statements and with-held material information regarding his health at the time of getting the policies revived and hence in terms of the Declaration signed by him at the foot of the said Personal Statement, the revival of the policies are thereby declared as null & void and all moneys paid towards revival of the Policy and subsequent thereto belong to the Insurer.

The documents submitted to this Forum have been perused. As per the Medical Attendants Certificate dated 31.01.2006 signed by Dr. Anand K. Parakh, the Life Assured expired on 18.10.2005. The Primary cause of death was Cancer of Pharynx and Secondary cause

was IHD. As to the question – How long had he been suffering from the disease before his death? The answer given is 1½ years. As per the Employer's Certificate, where the DLA worked in the Tahsil Office, Nandgaon and signed by the Tahsildar, Nandgaon, dated 27.01.2005, they have submitted the records of absence from duty during the period from 01.02.2002 to 18.10.2005. The DLA had taken leave from 01.08.2005 to 15.08.2005 for Enteric fever. However, the period of leave taken is after the date of revival of policy. As per the Medical Attendant's certificate issued by Dr. Anand K. Parakh, MBBS, dated 31.01.2006, the cause of death was Ca-Pharynx. How long he was suffering from this disease?, the period is mentioned as 1½ yrs. Since the policy was revived in February & March, 2005 and the Insured died in October 2005 i.e within 7 & 8 months from the date of revival, LIC has repudiated the claim for non-discloser of the above illness. Whereas, the claimant has stated that her husband had no cancer and had not taken any treatment from Dr. Anand Parakh of Nandgaon. The Insured died at home and was not taken to any hospital

In this case the complainant has denied that her husband had taken any treatment from Dr. Anand Parakh, which is the basis of repudiation by the Insurance Company. In order to resolve such issues, deeper investigation is required. Proceedings before this Forum are essentially summary in nature. The complex factual position required that the case to be probed by examining the other parties involved in this case, which is not possible with the limited powers under RPG Rules 1998. In view of the above, the complaint is closed at this Forum with a liberty to the complainant to seek relief, if any, available in any other Forum.

MUMBAI OMBUDSMAN CENTRE
Complaint No. LI-300 (08-09)
Award No. IO/MUM/A/272 /2008-2009
Complainant : Smt. Sonal Bharatkumar Surti
V/s
Respondent : SBI Life Insurance Company Ltd.

AWARD DATED 26.11.2008

Shri Bharatkumar Morarbhai Surti was covered under Group Insurance Scheme under Credit Guard Master Policy No.83001000105 from 27.08.2005. The Master Policy is issued to Master Policy Holder, i.e. SBI Cards & Payment Services Pvt. Ltd. for covering the lives of eligible Members. The benefits secured by coverage granted under this Master Policy are subject to the terms and conditions of the Master Policy.

Shri Bharatkumar Surti was covered under this Master Policy for outstanding amount of SBI Credit Card (Subject to the maximum Limit) and Accidental Death Benefit of Rs.6.00 lakhs, subject to terms and conditions of the Master Policy.

Shri Bharatkumar Surti expired on 27.03.2008, while crossing the Railway tracks on 26.03.2008. His wife, Smt. Sonal B. Surti submitted a claim to SBI Life Insurance Co. Pvt. Ltd. SBI Life admitted the claim for outstanding amount of Rs.893/- vide their letter dated 29.05.2008 and made the payment. However, the Accident Benefit Claim for Rs.6.00 lakhs was repudiated as the death of the Life Assured occurred due to breach of law. They stated that as per the reports available with them, Late Shri Bharatkumar Surti expired while trespassing railway tracks which

is a breach of law and excluded for Accident Benefit Claim Payment as per policy terms and conditions.

The documents produced at this Forum have been perused. The Insurer repudiated the claim on the grounds of "Trespassing" i.e. crossing the railway tracks which is a punishable offence and a breach of law according to the Railway Act. They have repudiated the claim as per the Condition 7.1.5 Exclusion in the Master Policy Schedule which states as follows:-

Condition 7.1.5 Exclusions

SBI Life shall not be liable to pay the benefits if the death or as the case may be, the Total and Permanent Disability of the Life Assured is caused by any of the following:-

(i) any breach of law by the Life Assured;

The complainant has raised a doubt as to whether her husband was injured while crossing the railway tracks, or whether the death is due to being knocked down by train or him falling from a running train as he was going to catch an outstation train from Mumbai Central. Since there is no eye witness to the incident and the time was around midnight, therefore, the exact reason of the injury has not been established. It was noted that he was holding a 2nd class free pass of Central Railway and was a Railway employee.

The Insurance Company has denied the Accident Claim on the ground of breach of law. As the deceased was not authorized to cross the railway track, it was breach of law, and therefore the claim is not payable as per the policy condition. There is no proof on record that it is a case of intentional self injury or attempted suicide. It is certainly a case of death arising out of an accident. It has also not been proved that it is due to fall from the running train or knocked down by a running train while crossing the railway tracks. No doubt, crossing railway track is punishable offence but till it is established, merely denying the claim on this ground, does not meet the ends of justice. It has to be borne in mind that in the eyes of law, no person is guilty of a breach of law unless and until he is tried in a court and his guilt has been established. Since in this case, the cause of accident has not been established and hence he can't be charged for an offence of breach of law. In the facts and circumstances, the benefit of doubt is interpreted in the favour of the complainant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 693 (07-08)

Award No. IO/MUM/A/ 269 /2008-2009

Complainant : Smt. Naseem Bano Rehman

V/s

Respondent : ICICI Prudential Life Insurance Co. Ltd.

AWARD DATED 25.11.2008

Shri Hifzur Habibur Rehman had taken a Life Time Life Insurance Policy from ICICI Prudential Life Insurance Company Ltd.. The SA was Rs.1.00 lakh. The date of risk was from09.02.2006. Shri Hifzur Habibur Rehman expired on 07.12.2007 due to Massive Myocardial Infarction. When the claim was preferred by his wife Smt. Naseem Bano Rehman, ICICI Prudential Life Insurance Co. Ltd. repudiated the claim on account of the deceased having suppressed material information regarding his previous illness at the time of effecting the assurance.

As per the Medical Attendant's Certificate dated 24.1.2008, signed by Dr. Anil Jain, Prestige Nursing Home, Nagpur, Shri Hafizul Rehman was admitted on 07.12.2007 at 2.30 P.M. to Prestige Nursing Home, Nagpur with c/o Severe chest pain – collapsed – gasping. He expired on the same day at 3.10 P.M. The history provided by Patient / family member/ other – Treated by Dr. Aziz Khan for myocardial infarction 3 years back. The Primary cause of death given – Massive Myocardial infarction and Secondary cause of death – complete heart block cardiogenic shock. Dr. Anil Jain in his letter dated 12.01.2008 states that Shri Hafizur Habibur Rehman was brought to the Nursing Home and was found to be a case of massive myocardial Infarction with complete heart block and cardiogenic shock. As per relatives and friends present he was under treatment of Dr. Aziz Khan, Cardiologist and had myocardial infarction about 3 years back.

The contention of the Insurer was that the Insured had not disclosed his ailments in the proposal for assurance. They have produced evidence to prove that the Deceased Life Assured was admitted to Crescent Heart Care Centre, Nagpur from 19.04.2005 to 23.04.2005. In the Discharge Summary of the hospital the diagnosis states Systemic Hypertension, CAD-AWMI (Anterior Wall Myocardial Infarction (Recent), NIDDM (Recently detected). The clinical History states – Was admitted with c/o chest pain in retosternal region since the morning of the admission day associated with profuse sweating, uneasiness, and nausea. No past history of DM/HTN. No habits. ECG – ST elevation in Anterior leads. The Course – Was thrombolysed with IV.STK 15 lacs units in addition to antianginal, antiplatelet therapy. Had elevated blood sugar level, DM controlled with insulin. PT. responded to therapy. Pt's relatives not keen for the hospitalization hence he is being discharged on request. The follow up plans given states – Hospitalization. B/DM monitoring. Coronary Angiography. There were some pathological reports showing the Blood sugar range as high as 257 mg/dl whereas normal range should be 70-140 mg/dl. His Haemogram Report was also below the normal range. The 2 D Echo Doppler Study dated 22.04.2005 shows the clinical diagnosis as IHD Global LVEF : 40 % and the Final Diagnosis states – Regional Wall Motion Abnormality involving MID Distal Septum adjoining LV Free Anterior Wall. Mild LV Systolic Dysfunction. All these tests were carried out during 19.04.2005 to 23.04.2005 at the time of his hospitalization at Crescent Heart Care Centre.

In view of this legal position ICICI Prudential Life Insurance Company Ltd. cannot be faulted for repudiating the claim of on the ground of making mis-statements and withholding material information regarding health of life assured at the time of proposal.

Award No. IO/MUM/A/ 491/2008-2009

Complainant : Shri Samir Deshpande

V/s

Respondent : Life Insurance Corporation of India, Thane Divisional Office

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AWARD DATED 26.03.2009

Smt. Renuka S. Deshpande had taken a Life Insurance Policy from LIC for SA Rs.1.00 lac under Jeevan anand Plan with Qly. Premium Rs.1,323/-. The DOC was 10.03.2007. Smt. Renuka S. Deshpande expired on 11.11.2007 due to Fulminant Lupus with Immune Hepatitis with Multi Organ Failure. The claim was preferred by her husband Shri Samir Deshpande. LIC repudiated the claim on account of the deceased having withheld correct information regarding her health at the time of effecting the assurance.

Smt. Renuka Deshpande was first admitted from 4.11.2007 to 07.11.2007 at Sanjeevani Hospital, at Ambarnath. As per the Discharge Card of the said Hospital, the diagnosis mentioned is "PUO / Rash with Exfoliration Dermatitis" and the name of the consultant is Dr. H. R. Chitins. In the case papers it is mentioned that Pt. is on Eltroxin 125 mg – 1½ years. She was shifted to P.D.Hinduja National Hospital & Medical Research Centre on 08.11.2007. As per the Medical Attendant's Certificate (Claim Forum B), signed by Dr. A.V. Hegde, of P.D.Hinduja National Hospital & Medical Research Centre, Smt. Renuka Deshpande expired on 11.11.2007. The primary cause and secondary cause of death was Fulminant Lupus with Immune Hepatitis with Multi Organ Failure**.** To the question how long had she been suffering from the disease before her death – "The answer was 8-10 days before admission". What were the symptoms of illness – "Itching all over body with erythema and fever - 8-10 days." To the question - What was the date on which you were first consulted during the illness? "08.11.2007". To the question – What other disease or illness (i) preceded or (ii) co-existed with that which immediately caused her death? The answer was "History of bluish discoloration of fingers in the past. History of Chickengunia fever 1 year ago. History of hypothyroidism 1½ years ago. As per the Certificate of Hospital Treatment signed by Dr. V. Ashit of P.D. Hinduja Hospital, the deceased life assured was diagnosed as Fulminant Lupus with autoimmune hepatitis with multi organ failure and the history recorded was - "History of bluish discoloration of fingers in the past. History of Chickengunia fever 1 year ago. History of hypothyroidism 1½ years ago. She expired on 11.11.2007.

From the above facts, it is evident that the deceased life assured suppressed material information and made misstatement regarding her health at the time of proposal. The claim was rejected.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI-037 (08-09)
Award No. IO/MUM/A/ 249 /2008-2009
Complainant : Smt. Vandana Gedam
V/s
Respondent : Life Insurance Corporation of India, Nagpur Division

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AWARD DATED 17.11.2008

Shri Avinash Balaram Gedam had taken a life insurance policy from Nagpur Divisional Office. Under T/T 149/20 (Jeevan Anand). The DOC was from 13.9.2005.

It is seen from the records obtained from LIC that the claim was repudiated by stating that as the deceased committed suicide within one year from the date of the Policy, the Policy has become null and void in terms of the Policy Contract and therefore nothing is payable thereunder.

The documents submitted to this Forum as evidence have been perused. LIC of India has submitted the Inquest Panchanama, the Post-Mortem Report, the Chemical Analiser's Report and the Police Morgue with Sub Divisional Magistrate Report. The Police Morgue with Sub Divisional Magistrate Report states that Shri Avinash Balaram Gedam, age 30 years was feeling uneasy and about 18.20 hrs on 03.05.2006 was admitted in hospital. He died at 20.00 hrs. on the same day during treatment. According to relatives, his health was good and suddenly he fell sick and died. The Opinion in the Post-Mortem Report states that "Post-mortem findings are consistent with that of Death due to POISIONING. However Final Opinion will be given after Chemical Analysis". The Result of the Chemical Analysis states "Results of detection of organa phosphorons insecticide Monocrotophos – Nuvacron in exhibit Nos. (I) & (2) are positive – the level of Monocrotophos detected in exhibit Nos. (I) and (2) is of the same order as that found in fatal poisoning cases involving Monocrotophos.

Under the circumstances, it is to be regarded as a conclusive proof of the deceased life assured having committing suicide.

The Insurer regretted the Death claim under the policy by invoking suicide clause, as printed in the policy document. Let us examine the Policy condition No.6 - Suicide Clause.

Policy Condition No.6 states as under :

"This policy shall be void if the life assured commits suicide (whether sane or insane at the time) at any time on or after the date on which the risk under the policy has commenced but before the expiry of one year from the date of this policy and the Corporation will not entertain any claim by virtue of the policy except to the extent of a third party's bonafide beneficial interest acquired in the policy for valuable consideration

of which notice has been given in writing to the office to which premiums under this police were paid last, at least one calendar month prior to death."

The death of Shri Avinash Balaram Gedam had occurred within one year of commencement of the policy and suicide stands established as the cause of death as per records submitted. The claim for policy moneys is not, therefore, sustainable as per policy conditions.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 160 (08-09)

Award No. IO/MUM/A/ 297/2008-2009

Complainant : Smt. Surekha Suresh Katge

V/s

Respondent : Life Insurance Corporation of India , Kolhapur Division

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AWARD DATED 12.12.2008:

Shri Suresh a/s Suryakant Adinath Katge had taken a Life Insurance Policy No.946999002 from LIC, Kolhapur Divisional Office for SA 1.00 lac, under Table & Term 149-20 (Jeevan anand) The DOC was 11.5.06.

Shri Suresh a/s Suryakant Adinath Katge expired on 20.12.2006 due to Cancer of Vocal Cord. The claim was preferred by his wife Smt. Surekha Suresh Katge, LIC repudiated the claim by their letter dated 09.04.2007 for non disclosure of material facts.

The entire records pertaining to the case have been scrutinized. In the Medical Attendant's Report dated 15.01.2007, signed by Dr. Suraj B. Pawar, Cancer Surgeon, he states that Shri Suresh A. Katge expired on 20.12.2006. The primary cause of death was cardio-respiratory arrest and secondary cause was Ca larynx. The symptoms of illness were Dysphagia, Hoarsness of voice and he was first consulted for Carcinoma of left vocal cord,15 days prior to death. In the Certificate of Hospital Treatment dated 15.01.2007 issued by Dr. Suraj B. Pawar, Cancer Surgeon of Kolhapur Oncology Centre, he states that Shri Suresh A. Katge was admitted to hospital on 31.07.2006 and he was under the treatment of Dr. K. Mench before he was admitted in to the hospital. The complaint and history of the patient's ailments reported was hoarseness of voice since 15 days The diagnosis arrived at in the hospital was Ca larynx. In the Discharge Summary of Kolhapur Oncology Centre, it states that Shri Suresh A. Katge was admitted on 31.07.2006 and discharged on 13.08.2006. The diagnosis was Carcinoma of left Pyriform fossa stage IVA. The treatment given on 01.08.2006 was total laryngectomy with left modified radical neck dissection. The advice on discharge was to follow-up for radiation therapy. The operation record shows that he was operated for the same on 01.08.2006. The physician's follow-up notes of the Kolhapur Oncology Centre states "Hoarseness since 15 days –

cigarette smoking 15/day for last 25 years. The case papers of Dr. K.G. Mench shows that he was first consulted on 31.03.2006 for hoarseness of voice and chest pain. He expired at home on 20.12.2006/

From the evidence on record it is observed that the insured had consulted Dr. K. Mench, B.A, M&S, for hoarseness of voice on 10.02.2006 prior to proposal for Assurance. On prescription sheet dated 31.03.2006, there is a noting of Dysphagia & Hoarseness of voice under the column of "chief complaints with duration" – but there is no mention of duration or any other noting except some medication were prescribed. The DLA was admitted at Kolhapur Oncology Centre on 31.07.2006 and he was referred by the same Doctor Kaustabh Mench who was treating him earlier. The Doctor in his letter dated 05.06.2007 has clarified that he was not treating him for cancer or any other serious ailment. The Cancer was diagnosed on 01.08.2006 when total laryngectomy was performed. Thus it will not be fair to conclude that it was known case of Carcinoma prior to the date of proposal. Perhaps the hoarseness of voice & dysphagia was not taken seriously by the proposer as he was a rickshaw driver and educated upto 6th Standard as per information given in the proposal. As per the history recorded in the hospital case papers when the patient was admitted in the hospital it was mentioned that – "Cigarette smoking 15/day for last 25 years. Though there is no corroborative evidence to prove it, but the history recorded at the time of hospitalization can't be just set aside, because such information was given for the better management of the disease. In reply to Question 11-h (3) "Have you consumed or taken tobacco in any form or are you consuming the same at present?" The reply was 'No'. Tobacco smoking is injurious to health, is an established fact and this information was material for underwriting the risk.

In view of the above, the decision of the Insurer to reject the claim can't be faulted. However, looking to the fact that the Insured died due to Cancer which was not known to the proposer and looking to the socio-economic background of the complainant, I am inclined to award an ex-gratia payment of Rs.25,000/- to settle the dispute in the present complaint.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 016 (2008-2009))

Award No. IO/MUM/A/ 302 /20087-2009

Complainant : Shri Dinkar B. Narake

V/s

Respondent : Life Insurance Corporation of India , Kolhapur Divisional Office

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AWARD DATED 15.12.2008

Smt. Chhaya Dinkar Narake had taken a LIC No.947284148 with SA Rs.50,000/-. The DOC was 14.7.2007. Smt. Chhaya Dinkar Narake expired on 01.11.2007 due to Acute Cardio Respiratory Arrest due to septicemia in an operated case of bowel gangrene with Acute Renal Failure. The nominee under the policy is her son Master Mahesh (Minor) Her husband Shri Dinkar Babu Narake preferred the claim. The Insurer, Life Insurance Corporation of India repudiated the claim on account of the deceased having withheld material information regarding his health at the time of effecting the assurance.

The documents produced at this Forum have been examined. As per the Medical Attendant's Certificate (Claim Form B) dated 01.11.2007, signed by Dr. Sunil B. Makadum. He states that the Life Assured expired at CPR Hospital, Kolhapur on 01.11.2007. The Primary cause of death was Acute Cardio Respiratory Arrest due to septicemia in an operated case of bowel gangrene with Acute Renal Failure**.** The Symptoms of illness was vomiting, constipation and distention of abdomen. According to the Certificate of Hospital Treatment, the DLA was admitted to hospital on 25.10.2007 with the complaints of vomiting, constipation and distention of abdomen. The diagnosis arrived at the hospital was 'Intestinal obstruction'. In the case papers there is also a remark " Past h/o Hysterectomy & Appendectomy". The DLA had consulted Dr. Pratap a. Narake on 22.10.2007 for acute abdominal pain. She also consulted Dr. Arvind S. Kamble on 23.10.2007 for the same ailment.

It is also evident from the documents produced by LIC that the DLA was operated for Hysterectomy & Appendictomy on 03.02.2003 at Matruseva Hospital Kodoli. A letter dated 08.02.2003 signed by Dr. A.S. Kamble, states "From operation register of my hospital, Late Smt. Chaya Dinkar Narake was admitted in this hospital on 02.02.2003. She was suffering from DVP with chr. Appendicitis. For that abdominal Hysterectomy with Appendectomy was done on 03.02.2003. After complete recovery she was discharged on 11.02.2003. At present her indoor case paper is not available". Dr. Arvind S. Kamble has also issued a certificate dated 18.07.2008 to this fact. The history is also mentioned in Hospital Report from CPR Hospital, Kolhapur. This operation history is not mentioned in the proposal form. If this history would have been disclosed by the LA, the Insurer would have called for special medical reports and the underwriting decision might have been changed.

From the above facts, it is evident that the deceased life assured suppressed material information and made misstatement regarding her health at the time of proposal and also suppressed the material information regarding her health, thereby denied an opportunity to the Insurer to probe in the matter and take appropriate underwriting decision before issue of policy.

The claim was denied to the complainant.

MUM BAI OMBUDSMAN CENTRE
Complaint No. LI - 57 of 2008-2009
Award No. IO/MUM/A/ 244 /2008-2009
Complainant : Smt. Kalpana Sudam Awale
V/s
Respondent : Life Insurance Corporation of India, Satara Divisional Office

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AWARD DATED 12.11.2008

Shri Sudam Tippanna Awale had taken Life Insurance Policy No.941281882 from LIC, Satara Division, under SSS. The SA was Rs.1.00 lac. The DOC was 25.2.2005. Shri Sudam Tippanna Awale expired on 21.04.2007 due to Heart Attack. The claim was preferred by his wife Smt. Kalpana Sudam Awale, LIC repudiated the claim by their letter dated 26.12.2007 on the ground that Shri Sudam Tippanna Awale withheld correct information regarding his health at the time of effecting the assurance.

The entire records submitted to this office pertaining to the case have been scrutinized. In the Medical Attendant's Certificate – Claim Form B and Certificate of Hospital Treatment – Claim Form B-1 signed by Dr.Shailaja Jacob, MD and CMO of Wanless Hospital Miraj, Dist. Sangli, Shri Sudam Tipanna Awale was brought dead to the Hospital on 21.04.2007 and the cause of death was not known, hence advised MLC/PM to know the cause of death. A post-mortem was performed and the cause of death was due to Acute Myocardial Infarction. The Insurer repudiated the claim on the grounds of his medical leave taken from the period 02.02.2002 to 21.04.2007. As per the Certificate by employer – Sangli, Miraj, Kupwad Municipal Corporation, the medical leave taken by the Deceased Life Assured supported by medical certificates are as under:-24.01.2002 to 23.02.2002 – Medical Leave taken due to fracture of Collar Bone – Lt Ribs – 6^{th}, 7^{th}, 8^{th}

1. 24.02.2002 to 28.02.2002 – Leave extended
2. 01.10.2002 to 05.10.2002 – Acute influenza with weakness
3. 21.10.2003 to 30.10.2003 – Acute Hyper with general weakness
4. 04.08.2004 to 11.08.2004 - Viral Fever

The Insurer repudiated the claim wholly on the grounds that the above leave taken on medical grounds for his various ailments were not disclosed at the time of effecting the assurance. As the DLA died due to Heart Attack, they have submitted the proof of his taking leave from 21.10.2003 to 30.10.2003 (10 days) for Acute Hyper with general weakness. However, this is the only evidence they have submitted. They have not provided any evidence by the way of Doctor's prescription or medical bills or any medical tests proving that the DLA was suffering from Hypertension which led to the cause of his death. As also can be seen that he has last taken medical leave from 04.08.2004 to 11.08.2004 for Viral Fever. After the commencement of the policy, he has not taken any medical leave. His attendance was regular and he last attended office on 21.04.2007 i.e. the day he expired. The proof of only a certificate for medical leave holds no good ground to repudiate the claim. LIC has not brought on record any additional material to prove that he suffered the ailments that was the cause of his death. Also as the statutory period of two years had clearly expired when LIC repudiated the claim, Section 45 of the Insurance Act, 1938 applies in the present

LIC has failed to prove with cogent evidence that the life assured had suppressed material facts and was suffering from ailments that was the cause of his death. Section 45 places the burden of proof on the Insurer and unless the Insurer is able to do so the contract could not be avoided on the ground of alleged misstatements or non-disclosure of facts. As such, the benefit of doubt goes in favour of the Complainant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI -127 (08-09)

Award No. IO/MUM/A/ 303/2008-2009

Complainant : Smt. Shalan T. Patil

V/s

Respondent : Life Insurance Corporation of India , Kolhapur Divisional Office

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AWARD DATED 16.12.2008:

Shri Tukaram Ramchandra Patil had taken a Life Insurance Policy No. 9476700900 from LIC with SA 71,000/-. The DOC was 28.03.2004. The policy was revived on 27.10.2006. Shri Tukaram Ramchandra Patil expired on 21.12.2006 due to Chronic Renal Failure. The claim was preferred by his wife Smt. Shalan Tukaram Patil. LIC repudiated the claim for non disclosure of material facts in the revival form

The documents on record have been perused. The Insurance Company has produced F.No.5152 dated 20.07.2007 & O.P.D. Card dated 06.05.2006 in respect of Shri Tukaram Patil. It is evident that he was under the treatment of Dr. R.K. Bhoi, MD, Murgud, wherein it is mentioned - recently detected Diabetes and his blood pressure reading was high. Shri Tukaram Patil was admitted to Vishwas Hospital, Nipani on 17.11.2006. As per the Certificate of Hospital Treatment dated 04.01.2007, signed by Dr. Deepak P. Deshpande, Shri Tukaram Ramchandra Patil was admitted on 17.11.2006 with complaints of Dyspnea, Orthopnea. He was under the treatment of Dr. Bhoi before his admission to the hospital. The Doctor who attended on him was Dr. D.P. Deshpande. The diagnosis arrived at in the Hospital was Chronic Renal Failure. The other disease or illness which preceded or co-existed with the ailment was stated as Diabetes for 6 months and the history was reported by the deceased himself.

As per the documents received, the revival form is dated 27.10.2006. However, from the papers produced, it is evident that he was under the treatment of Dr.Ramesh K. Bhoi from 06.05.2006 i.e. prior to the revival of his policy The DLA had not disclosed above treatment at the time of the revival of the policy. Had he disclosed the correct information, LIC would have called for relevant medical reports and taken appropriate underwriting decision.

In view of this legal position L.I.C cannot be faulted for repudiating the claim on the ground of making mis-statements and withholding material information regarding health of life assured at the time of revival. However, looking to the Socio-economic background and the appeal made by the complainant, an ex-gratia payment of Rs.15,000/- was granted to the claimant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 164 (2008-2009))

Award No. IO/MUM/A/ 327 /20087-2009

Complainant : Smt. Shailaja C. Sawant

V/s

Respondent : Life Insurance Corporation of India , Kolhapur Divisional Office

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AWARD DATED 29.12.2008

Shri Uday Vasantrao Sawant had taken a Life Insurance Policy from LIC for SA Rs.55,000/-. The DOC was 28.12.2005. Shri Uday Vasantrao Sawant expired on 14.01.2007 due to Cervical Spine Epidural Abscess. The nominee under the policy is his nephew Master Rhishikesh who is a minor. His sister-in-law, Smt. Shailaja Chandrashekhar Sawant, mother of the nominee preferred the claim. The Insurer, Life Insurance Corporation of India repudiated the claim on account of the deceased having withheld material information regarding his health at the time of effecting the assurance.

The documents produced at this Forum have been examined. As per the Medical Attendant's Certificate (Claim Form B) dated 02.03.2007, signed by Dr. Veerendrasinh S. Pawar, he states that the Life Assured expired at City Hospital, Kolhapur on 14.01.2007. The Primary cause of death was Cardio Respiratory Arrest due to generalized sepsis in an operated case of clinical epidural abscess. He had been suffering from the symptoms for 1½ month prior to his death and the symptoms were neck pain, Quadriparesis. According to the Certificate of Hospital Treatment, the DLA was admitted to hospital on 28.12.2006 with the complaints of neck pain since 3 weeks Quadriparesis since 1 week. The history was reported by the patient & relatives. The diagnosis arrived at in the Hospital was Cervical Epidural Abscess. He expired on 14.01.2007. There is a Treatment Summary from City Hospital and signed by Dr. Veerendrasinh S. Pawar wherein the History mentioned is Quadriparisis - 1 week, Neck pain/stiffness – 3 weeks , known case of mental retardation. He has also issued a certificate dated 05.10.2007 stating "This is to certify that Mr. Uday Vasantrao Sawant was admitted to this hospital on 28.12.2006. He expired on 14.01.2007. His treatment summary has been issued to the relatives. He had mild mental retardation and not any psychiatric illness. He was not on any treatment for mental retardation. He has not taken any treatment from this hospital before his admission. His last illness was related to cervical spine epidural abscess and not related to mental retardation". There is a certificate from Dr. Rajesh R. Nerli, M.S. General Surgeon, stating "This is to certify IP 3584/07, Mr. Uday Sawant 40 yrs. Male was diagnosed with retention of urine sec to phymosis with mental retardation. Pt. was not on any treatment for mental retardation and had no psychiatric illness". A certificate dated 14.01.2008 from Dr. Eknath Pandurang Chougule which states "This is to certify that Mr. Uday Vasantrao Sawant was my family pt. since 1995 proximately. He was physically fit. He was not on any major treatment like diabetes, hypertension and psychiatric illness. Except common cold."

"Mental Retardation" – as per Taber's Cyclopedic Medical Dictionary means as under:-

Below normal intellectual function that has its cause or onset during the development period and usually in the first year after birth. There are impaired learning, social adjustment, and maturation. The causes may be, but do not have to be genetic. Methods for judging mental competence and the degree of disability due to mental retardation are controversial, and there is disagreement concerning the validity of tests that purport to detect what is called intelligence quotient (IQ).

The Complainant has also produced Certificates from the Employer where the DLA was employed. The employer – Shri Hanuman Doodh Utpadak Sahakari Sanstha Ltd. Banage, Tal, Kagal, Dist. Kolhapur, has issued a Service Certificate dated 22.09.2007 stating that he worked from 01.08.1991 to 31.09.2003 and due to loss and competition, workers were retrenched from 01.10.2003. Shri Uday Sawant was handed over his Provident Fund and Gratuity on 31.03.2005. The said Sanstha also issued a Certificate dated 12.01.2008 stating that Shri Uday Sawant had never taken any kind of long leave/earned leave/medical leave/leave without pay from 1997-98 to 31.09.2003 and without taking any kind of leave he has worked continuously, honestly and efficiently in the bakery department of the said Sanstha. From these facts it is evident that Shri Uday Sawant was a permanent employee and earned Provident Fund and Gratuity. A copy of Provident Fund Account statement was also submitted in evidence. There is no mention from his employer that he was mentally retarded.

The father of the deceased is perhaps taking up this point as a mental case, which is not so, as we have already in the above para quoted the meaning of mental retardation. The Insurer has repudiated the claim on the grounds that the life assured was believed to have had a history of mental retardation since birth which was not disclosed in the proposal for insurance. In view of the above, technically, it is right in repudiating the claim as the above disclosure was material for acceptance/rejection of the risk. Since the life assured was in service for a period of more than 12 years and his employer was satisfied with the performance of the employee and on retrenchment PF and Gratuity were paid, this is a conclusive evidence that he appeared to be normal to the employer and the family members but medically in the record he was marked as mentally retarded person. Perhaps due to this, the reply to Q.11 of the proposal form for insurance did not find such mention. In the facts and circumstances, the benefit of doubt can be given to this case. Moreover, the insured died due to Cervical Spine Epidural Abscess. Under the facts and circumstances, it will be proper to allow the claim on ex-gratia basis.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI -230 (08-09)

Award No. IO/MUM/A/ 364 /2008-2009

Complainant : Smt. Shobha Ashroba Kale

V/s

Respondent : Life Insurance Corporation of India , Nanded Divisional Office

AWARD DATED 14.01.2009

Shri Ashroba Nanabhau Kale had taken a Life Insurance Policy from Life Insurance Corporation of India, from Branch 9301 Sailu, under Nanded Divisional Office.

Shri Ashroba Nanabhau Kale expired on 22.02.2007 due to Alcoholic Hepatitis. The claim was preferred by his wife Smt. Shobha Ashroba Kale. LIC repudiated the claim. The policy was revived for the full sum assured on the strength of a Declaration of Good Health (DGH).

LIC entertained the claim for the paid-up value under the policy for Rs.32,462.50 which were secured by the policy on the date of lapse by shifting 9 gap premiums due 28.10.2000 to 28.06,2001.

The documents on record have been perused. As per the Medical Attendants Certificate (Claim Form B), Shri Ashroba Nanabhau Kale expired on 22.02.2207. The Primary cause of death was Terminal Cardio Respiratory Arrest and Secondary cause was Subarachnoid Hemorrhage Aspiration Pneumonia. As per the Certificate of Hospital Treatment at Civil Hospital Parbhani, the history reported by the patient at the time of admission was headache, seizures, drowsiness, weakness Rt Ul & LL Aphasia. The diagnosis arrived at the hospital was sub arachnoids hemorrhage. As per Form No.5152, dated 15.07.2007, submitted by Dr. S.L. Dhamdere from Manvat, the LA's medical attendant, he states that the LA first consulted him on 27.07.2004. The nature of the disease was Alcoholic Hepatitis and the duration of the disease stated was since 4 to 5 years. He states that he treated him from 27.07.2004 to 14.08.2004. As per the certificate by Employer, provided by the Principal of Katruwar Arts R. Kabra Science & B.R. Mantra Commerce College, Manwath, for the period 01.08.2000 to 23.02.2007, where the LA was a Lecturer, Shri Kale had taken sick leave on various occasions for the duration of 3 to 4 days. However, as per the certificate, he has taken sick leave from 27.07.2004 to 14.08.2004 for a period of 19 days. A certificate dated 14.08.2004 has been issued by Dr. S.L. Dhamdhere, which states "Regularly he was treated from 27.07.2004 to 14.08.2004 for Hepatitis and then he was discharged and advised for rest at home upto 14.08.2004".

As per the documents received, the revival is from 30.09.2005. However, from the documents produced, it is evident that he was under the treatment of Dr.S.L. Dhamdhere from 27.07.2004 to 14.08.2004 for Hepatitis i.e. prior to the date of revival of the policy. The DLA had not disclosed this material fact at the time of the revival of the policy. Had he disclosed the correct information, LIC would have called for relevant medical reports and taken appropriate underwriting decision. During the hearing, the complainant stated that her husband had taken leave frequently but he was not ill and in good health. However, this Forum can only consider the documents produced as evidence and cannot go on hearsay. The claim was denied.

Complaint No. LI-277 (08-09)
Award No. IO/MUM/A/ 250/2008-2009
Complainant : Smt. Mukta Arun Chawardhal
V/s
Respondent : Life Insurance Corporation of India, Nagpur Divisional Office

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AWARD DATED 17.11.2008

Shri Arun Madhukarrao Chawardhal had taken a life insurance policy from LIC of India, Nagpur Divisional Office. The SA was Rs.1.00 lakh and date of risk was 28.9.03

Shri Arun Madhukarrao Chawardhal expired on 01.05.2004, by train accident while walking on the Railway tracks. His wife submitted a claim to LIC. LIC repudiated all liability under the policy on account of the deceased having withheld material information regarding the health at the time of effecting the assurance.

LIC of India, stated that they held indisputable proof to show that about one year prior to date of Proposal the Life Assured was suffering from Fissures & Schizophrenia with systemic hypertension with ischemic heart disease for which he had consulted medical men and had taken treatment from them and also in Hospitals and was on medical leave from 02.09.2002 to 09.12.2002.

The documents produced at this Forum have been perused. The Insurer repudiated the claim on the grounds of non disclosure of material facts regarding his health and treatment taken prior to proposal for assurance. On perusal of the sick leave applications and medical certificates obtained from the Employer (Police Deptt.), it is found that the Life Assured was suffering from Fissure in Anus with Schizophrenia with Systemic HT with IHD and was on sick leave from 02.09.2002 to 09.12.2002 for treatment of the same. The Medical certificate was signed by Dr. J.S. Achintalwar from whom he was taking treatment. This medical certificate was also supported by prescriptions of Dr.Achintalwar dated 10.09.2002, 10.10.2002 and 10.11.2002 for various medicines. A Certificate No.009561 dated 04.12.2002 from Mahatma Gandhi Institute of Medical Science, Wardha shows that the Life Assured was taking treatment for Paranoid Schizophrenia from 26.11.2002 for about 4 weeks. The DLA had also put in a leave application to his employer for sick leave from 02.09.2002 to 10.12.2002 for physical and mental illness. He has also stated that he has incurred huge expenditure for treatment of his illness. These documents prove beyond doubt that the life assured was suffering from various serious ailments prior to the date of proposal but he had not revealed his medical condition at the time of signing the proposal for assurance. Suppression of material facts is evident.

According to the Panchnama and Police Inquest Report, the life assured died at Kurzadi Railway No.83 on 01.05.2004 at 23.30 hrs. This was reported orally by Shri Krishna Balarao Dandekar, Auto driver. According to the Auto driver, Late Shri Arun M. Chawardhal got down from the Auto to cross to the other side of the railway tracks. The Railway Phatak was closed to the vehicles and pedestrians. However, Shri Arun M. Chawardhal crossed the tracks and the trains from both the sides were coming and he got run over by the train. As per the Panchnama / Police Inquest Report, the death was due to the train having run over him. According to the Post-Mortem Report, the opinion as to the cause of death given by the Medical Official is " In my opinion cause of death is shock due to injury to vital organ Brain". In the Post-Mortem Report it reports that the skull was crushed and brain matter was crushed.

From the above documents produced at this Forum, there has been clear non-disclosure of material facts which was withheld by the life assured regarding his various ailments and treatment undergone by him before the proposal. His death was due to crossing of the railway tracks while the phatak was closed, which is "Trespassing" and a breach of law and a punishable offence according to the Railway Act. Under the circumstances, repudiation of the claim by the Insurer is justified. Though the death is due to accident but the Insurance Company has denied the claim due to non-disclosure of material information. In case the proposer had disclosed the information, the Insurer would not have accepted the risk cover as such.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 375 (2008-2009)

Award No. IO/MUM/A/ 421 /2008-2009

Complainant : Smt. Vaijanti Vasant Parwar

V/s

Respondent : Life Insurance Corporation of India , Goa Division

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AWARD DATED 16.02.2009

Shri Vasant Budaji Parwar had taken 3 Life Insurance Policies from LIC for SA Rs.30,000/- each The DOC was from 10.2.04. He expired on 23.05.2006 due to Myocardial Infarction. LIC repudiated the claim due to non-disclosure of material facts as they had indisputable proof to show that the LA was suffering from Ischemic Heart Disease, Viral fever, Acute bronchitis, hypertension, palpitation and lumbago for which he had consulted medical man and was taking treatment for the same and was on medical leave. He had also undergone Angiography on 07.06.2000. He did not, however disclose these facts in his proposal instead he gave false answers therein as stated above.

The documents on record have been perused. The claim was repudiated by the Insurer for non-disclosure of material information which affected their underwriting decision. The insurer has produced by way of evidence the summary sheet of K.L.E. Society's Hospital & Medical Research Centre, Belgaum where the DLA was hospitalized from 06.06.2000 to 08.06.2000. The diagnosis given is "IHD inferior with RV Infarction – Single Vessel Disease. The Complaints & History mentioned is "This patient 34 yrs. Old male, non-hypertensive, non-diabetic, a smoker with occasional alcoholic and a known case of IHD (24.04.2000) came with history of dyspneoa on exertion. He was taken for Coronary Angiography on 07.06.2000 revealed IHD – Single Vessel Disease. He has been advised medical line of management. The DLA was a Linesman in the Electricity Department. As per the leave record he was on medical leave on many occasions.

As the statutory period of two years had clearly expired when LIC repudiated the claim, Section 45 of the Insurance Act, 1938 applies in the present case

The Deceased took three policies of Rs.30,000/- each under Non-Medical Special under Salary Savings Scheme on 10.02.2004. He expired on 23.05.2006 due to Myocardial Infarction. From the documents produced by the Insurer, the DLA was admitted to the KLE Hospital, Belgaum, from 06.06.2000 to 08.06.2000 vide IP No.51189 and diagnosed as having IHD – recent inferior with RV infarction – single vessel disease. He was taken for coronary angiography on 07.06.2000 which revealed IHD single vessel disease. This hospitalization confirms that the DLA was fully aware of his disease. Knowing his ailments, he took 3 Non-Medical Special scheme policies for Rs.30,000/- each to which he replied to the questions in the proposal form regarding his personal history about his health wrongly/negatively suppressing the facts of hospitalization for IHD. He died of myocardial Infraction consequent to advanced Coronary Artery disease. The disease diagnosed during hospitalization was a material fact in deciding the risk on life. It is evident that he had made deliberate mis-statement and withheld material information with an intention to defraud the Corporation.

The claim was denied.

MUMBAI OMBUDSMAN CENTRE
COMPLAINT NO. LI-461 (08-09)

Award No. IO/MUM/A/ 398/2008-2009

Complainant : Shri Buddhiram S. Kevat

V/S

Respondent : Life Insurance Corporation of India, Mumbai D.O. II

AWARD DATED 29.01.2009

Smt Lakhpatidevi Buddhiram Kevat had taken a life insurance policy from LIC FOR SA Rs.50,000/- under Plan 90/17 (Marriage Endowment/Educational Annuity Plan. The Dt. of commencement was 28.2.06. She expired on 2.5.07 due to Cardio Respiratory

Arrest & Cancer Rectum. LIC repudiated the claim due to non-disclosure of material facts.

The documents on record have been examined. Smt Lakhpatidevi Buddhiram Kevat expired on 02.05.2007. The cause of death stated in the certificate issued by Lokmanya Tilak Municipal General Hospital (LTMG Hospital) is Terminal Cardio Respiratory Arrest and Cancer – Rectum. The DLA had referred to the LMG Hospital for the first time on 06.10.2006 and was admitted to the hospital on three occasions from 06.10.2006 to 14.11.2006, 09.05.2007 to 15.03.2007 and 19.04.2007 to 25.04.2007. As per the case history sheet of LTMG Hospital, the DLA had h/o mass on rectum – 1 year, bleeding PR – 1 year, c/o constipation and passing blood – 1 year, h/o chronic tobacco chewer. The Insurer alleged that the DLA had not disclosed the above history in the proposal form dated 20.02.2006 that she was suffering from these ailments and therefore repudiated the claim.

The Insurer stated that at the time of submitting her proposal dated 20.02.2006 for insurance, the DLA denied that she was suffering from any ailment and used tobacco in any form. They referred to the case history sheet dated 16.10.2006 of Lokmanya Tilak Municipal College & Hospital which mentions history of mass per rectum – 1 year, history of bleeding PR – 1 year & tobacco chewing. Also the mention of constipation & passing blood per rectum since 1 year is mentioned. The Insurer mentioned that the information provided by the Insured was inaccurate and false and she suppressed information which was material. Had such information been provided, they would have called for Doctor's report on bleeding piles She was fully aware of the problems of constipation and passing blood per rectum and also the existence of mass per rectum for last 1 year which goes in the period October 2005 whereas the risk was accepted from 28.02.2006.

In this case, the reason for repudiation of claim is the non-disclosure of material facts in the proposal form. The documents produced from LTMG Hospital are the only documents produced by the Insurer. All the three occasions she was hospitalized i.e. from 06.10.2006 to 14.11.2006, 09.05.2007 to 15.03.2007 and 19.04.2007 to 25.04.2007 were after the proposal date. At the time of hearing on 21.01.2009, Shri Budhiram Kevat did not deny the fact that his wife was facing some health problem in the village, but they were not aware of the Cancer – Rectum. He stated that only after she came to Mumbai and the problem persisted that she underwent the medical tests and came to know that she was suffering from Cancer – Rectum. The conclusion made by the Insurer in their repudiation letter is purely based on the noting & history noted by the Doctors of LTMG Hospital and not on any conclusive evidence. Except the history recorded in the hospital, the Insurer has also not proved with any cogent evidence to prove that the LA was suffering from Cancer Rectum prior to proposal of assurance by way of consultation papers, medical reports, medical bills etc. Under the circumstance, an ex-gratia payment of Rs.25,000/- was awarded, but this amount will be paid as per terms and conditions of the policy, i.e. on the date of maturity of the policy to the nominee.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 469 (2008-2009))

Award No. IO/MUM/A/ 370 /2008-2009

Complainant : Smt. Shanti Krishnaswamy

V/s

Respondent : Life Insurance Corporation of India , Mumbai Division I

AWARD DATED 15.01.2009

Shri Ramakrishnan Krishnaswamy had taken a Life Insurance Policy from LIC with SARs.2.00 lacs under T/T 149/16. The DOC was 9.11.2004 and Date of Death was 25.04.2007. Shri Ramakrishnan Krishnaswamy expired on 25.04.2007 due to Viral Encephalitis with Septicemia shock with Shizoeffective Depression with Hypertension**.**

LIC stated that before proposal, the LA had suffered from Depression & Hypertension for last 5 years for which he had consulted a Medical Man. He was a chronic smoker. He did not, however disclose these facts in his proposal for insurance.

The documents produced at this Forum have been examined. As per the Medical Attendant's Certificate (Claim Form B) dated 13.07.2007, signed by Dr. Anup Nehete MD, Physician & Cardiologist, he states that the Life Assured was admitted to Wockhardt Hospital, Mulund on 19.04.2007 and expired on 25.04.2007. The primary cause of death was due to Septicemia and secondary cause was Viral Encephalitis. The Symptoms of illness was sudden onset unconscious. The other disease or illness preceded or co-existed was Depression and Hypertension. Date of first observed was 21st November. 2006. To the question – Where you the deceased's usual medical attendant? - The answer was Yes and from 6 months. According to the Certificate of Hospital Treatment dated 24.07.2007 the DLA was admitted to hospital and he was unconscious. He was found not responding at home and frothing from mouth. The disease preceded and co-existed with the ailment was mentioned as Hypertension and Depression. The diagnosis arrived at the hospital was Septicemic Shock / Viral Encephalitis. He expired on 25.04.2007. The admission history and physical assessment form states at the time of admission, the complaints were – c/o Unconsciousness today at home. C/o giddiness yesterday, increased in early morning today. No h/o convulsions, fall, overdose, fever etc.. K/c/o HTN with Schizoaffective Psychosis with Hyperlipidemia.

LIC has produced a letter dated 04.02.2008 from Dr. Paresh D. Lakdawala furnishing details of treatment taken by Shri Krishnaswamy. He states that Shri Krishnaswamy approached him on 25.02.2002 with complaints from 3 months (depression, adjustment, suspiciousness). He was receiving medicines – Olanzopine, Lithium, Carbonate, Sodium Valproale, Fluvoxamine, Clonazepam. As per his last prescription. In 5 years he received similar medicines on variable dose as per his condition. The Insurer has not produced any medical prescription showing the diagnosis, medicines prescribed and the period of treatment. However, they have produced a certificate dated 28.02.2003 from Dr. S.R. Kumawat, MD,

stating that Shri R. Krishnaswamy was suffering from major depression and was under his treatment from 19.02.2003 to 28.02.2003 and advised bed rest. There is yet another certificate issued by the same doctor dated 05.03.2003 for the same reason advising bed rest and in the last para declared him fit to resume work from 06.03.2003. It appears the certificate was obtained to take leave. The copies of the certificates have the rubber stamp of the Syndicate Bank i.e. his employer. There are some more certificates for taking leave and stating one or the other ailments. Dr. P.D. Lakdawala, MD and Consultant Physiatrist also gave a certificate dated 05.03.2002 for treating him for depression and gave a fitness certificate to resume work from 09.03.2002. In fact, such certificates date back to February 2001. The Doctors, Dr.P.D. Lakdawala and Dr. Sanjay R. Kumawat are M.Ds and Consulting Physiatrists and treated the DLA on different occasions and mentioned the sickness as Depression/Schizoaffective Psychosis.

LIC has also obtained a certificate from Dr. P.D. Lakdawala dated 04.02.2008 stating the date of consultation as 25.02.2003 for complaints from 3 months - depression, adjustment, suspicious and also the names of medicines prescribed and it was further stated that in last five years he received similar medicines in variable dose as per his condition The above records can't be just set aside as they are qualified doctors for such treatment and the complainant also admitted that due to reversion of promotion from officer to clerical cadre, he felt depressed for some time. Since the certificates are issued before the date of proposal, can be taken as supportive evidence, as they have been issued by doctors who are Consulting Psychiatrists. However, they gave the fitness certificate as well for joining the duty. Thus it appears that the non-disclosure was under the above circumstances and therefore, it can't be said that the suppression was made fraudulently.

As per the leave record, there were no long periods of leave i.e. the insured was attending the office. The Insurer has contended that as he was highly educated, therefore, he was aware of the treatment he was taking. Depression is a mental state characterized by excessive sadness, increasing social withdrawal and personal ineffectiveness. The Complainant has already stated in her deposition that her husband was promoted and posted to a rural Branch as an Officer, which he did not accept and was reverted back as a clerk and hence was feeling depressed. Moreover, in this case, the cause of death was due to Viral Encephalitis and not due to what was not disclosed. Therefore, in this case the benefit of doubt can be given to the complainant. In the facts and circumstances, to strike a balance, Rs.1.00 lakh was allowed on ex-gratia basis.