

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-006-1164-12

Smt. Baluben B. Dabi V/s. Birla Sun Life Insurance Co.

Award dated 9th October 2012

Repudiation of Death Claim

A Death claim of S.A. Rs.7,73,500/- lodged by the Complainant for death of his husband was repudiated by the Respondent by giving reason that the DLA has suppressed material facts pertaining to his health before taking insurance.

Respondent produced evidences to prove the DLA was a Cancer patient before taking policy from Respondent.

DLA expired within 25 days from the date of commencement of the policy.

In view of this, Respondent's decision upheld without any relief to the complainant.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-018-1193-12

Smt. Indiraben H. Mulani V/s. IDBI Federal Life Insurance Co. Ltd.

Award dated 10th October 2012

Repudiation of Death Claim

Complainant's bachelor son aged 31 years expired within 11 months from the date of commencement of the Policy and claim lodged by mother of the DLA for S.A of Rs.8,30,000/- was repudiated by the Respondent giving reason supported by investigation report and claim papers as well as proposal papers appear to be fabricated and the Death Claim is very suspicious in many respects.

Respondent submitted all relevant evidences to this Forum to prove the repudiation is genuine.

The result, complainant fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0029-13

Shri Prabinkumar Nayi V/s. Life Insurance Corpn. of India Ltd.

Award dated 7th November 2012

Repudiation of Death Claim

A death claim lodged by the complainant for natural death due to Blood Cancer of his wife was repudiated by the Respondent giving reason that non disclosure of material information regarding her health at the time of filling the Proposal Form.

Respondent produced sufficient evidences to prove that the deceased policyholder had suppressed material facts.

The DLA's Proposal date was on 08-10-2009, Policy issued on 05-11-2009 and expired on 16-11-2009. Section 45 of the Insurance Act 1938 is not applicable in this case as the Respondent repudiated the claim within 2 years.

In view this Respondent's decision is upheld without any relief to the complainant.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0050-13

Shri Kaushik D. Gadhvi V/s. LIC of India

Award dated 27th November 2012

Repudiation of Death Claim

Two policies were issued by the Respondent in the year of 2009 August to the name of complainant's deceased wife. Complainant lodged death claims of his wife due to accidental death on 26-08-2011 was repudiated by the Respondent giving reason that the death is unnatural and under policy clause 4B, policy becomes Null & Void.

On referring all the records of both the parties, the Forum also denied the death claim.

In the result complaint fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0080-13L

Smt. Shardaben D. Kotadia V/s. LIC of India

Award dated 29th November 2012

Repudiation of Death Claim

Complainant's deceased husband's death claim repudiated by the Respondent on the ground of withheld material information regarding his health at the time of filling the Proposal.

The Claim rejected within 2 years from the date of commencement of the policy and Section 45 of the Insurance Act 1938 is not operative, hence the Respondent's decision can not be interfered.

In the result complaint fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0081-13

Smt. Vimalaben Rameshbhai Patel V/s. LIC of India

Award dated 4th December 2012

Repudiation of Death Claim

Complainant's husband's death claim repudiated by the Respondent on the ground of non disclosure of material information regarding his health and previous policy.

On scrutiny of all documents of both the parties the Forum denied the death claim, hence Respondent's decision to repudiate the death claim is upheld without any relief to the complainant.

Thus complaint stands disposed.

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AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0034-13

Smt. Sushilaben S. Barot V/s. LIC of India

Award dated 4th December 2012

Repudiation of Death Claim

Complainant's husband's death claim repudiated by the Respondent on the ground of lapsed policy as on the date of death.

Premium due on 11-03-2011 was paid on 10-05-2011 and death occurred on 11-05-2011. Hence the decision of the Respondent to repudiate the claim cannot be intervened.

In the result complaint fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No. 21-009-0003-13

Smt. Alkaben N. Shah V/s. Bajaj Allianz Life Insurance Co. Ltd.

Award dated 5th December 2012

Repudiation of Death claim

Complainant's husband was a member of Bajaj Finance Group Master Policy Holder issued by Bajaj Allianz Life Insurance Co. Ltd. Policy incepted from 17-03-2011 and her husband died on 8-10-2011 i.e., within 4 months from the date of risk covering. Death claim lodged by the Complainant was repudiated by the Respondent on the ground of withheld material information regarding his health at the time of affecting the assurance.

Respondent produced sufficient proof that the DLA was a heart patient since 2004 like Medical certificate, discharge summary of previous treatment and loan application for advance treatment expense.

In view of this, complaint fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-007-0002-13

Shri Dinesh Jatiya V/s. Max New York Life Insurance Co. Ltd.

Award dated 10th December 2012

Repudiation of Death Claim

A Death Claim lodged by the Complainant on death of his son was repudiated by the Respondent giving reason that the policy was in lapsed condition at the time of death.

Premium due on 25-09-2011 was not paid and death occurred on 08-11-2011. Complainant requested to refund the premium paid amount which was denied by the Respondent because as per Terms and Conditions of the policy, minimum 3 years premium should be covered to the Company whereas the insured paid only 2 years premium. The Forum also recommended to pay the premium paid amount if it is possible.

Thus complaint stands closed.

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AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0001-13

Smt. Anjanaben R. Mehta V/s. Life Insurance Corporation of India Ltd.

Award dated 10th December 2012

Repudiation of Death Claim

Complainant's husband was holding 3 Life Policies one commenced from 28th August 2002 and others commenced on 28-04-2010. Her insured husband was died on 17-11-2011 and death claim lodged was repudiated by the Respondent on the ground of suppression of material information.

One policy year 2002 was revived in July 2010 so Section 45 of the Insurance Act 1938 is not operative.

Moreover the complainant is nominee and 2nd wife of the DLA, the death of the first wife was not disclosed in the Proposal Forms dated 5-3-2010.

In view of all these, Respondent's decision to paid-up value is upheld without any relief to the Complainant.

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AHMEDABAD OMBUDSMAN CENTRE

Case No.21-004-005-13

Shri Kesarbhai Bhutadiya V/s. ICICI Prudential Life Insurance Co. Ltd.

Award dated 28th December 2012

Repudiation of Death claim

A health claim for Rs.40,000/- lodged by the Complainant was repudiated by the Respondent giving reason that at the time of treatment, the policy was in lapsed condition.

Complainant reviewed the policy on 7th April 2011 and ailment being diagnosed with chest pain prior to one month of the policy reinstatement. This clearly indicates suppression of material facts.

In the result complaint fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-008-13L

Smt. Daljeetkaur B. Multani V/s. LIC of India, Surat Div.

Award dated 28th December 2012

Repudiation of Death Claim

Complainant's husband's death claim repudiated by the Respondent on the ground of non disclosure of material information regarding his health and non availability of previous treatment papers. Further Section 45 is not applicable in this case.

On scrutiny of all documents of both the parties the Forum denied the death claim, hence Respondent's decision to repudiate the death claim is upheld without any relief to the complainant.

Thus complaint stands disposed.

AHMEDABAD OMBUDSMAN CENTRE

Case no. 21-001-0021-13

Mr.Subhashchandra Bhojwani Vs LIC of India

Date of Award: 29.03.13

Repudiation of death claim

The death claim was rejected on the grounds of non disclosure of material facts in proposal form Q 11. The insured had suffered from painful deglutition which later on led to diagnosis for cancer. It is established from the documents submitted by both the parties that material facts relating to health etc. were suppressed deliberately and knowingly by the Assured.

Hence, the complaint stands disposed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0080-13L

Smt. Shardaben D. Kotadia V/s. LIC of India

Award dated 29th November 2012

Repudiation of Death Claim

Complainant's deceased husband's death claim repudiated by the Respondent on the ground of withheld material information regarding his health at the time of filling the Proposal.

The Claim rejected within 2 years from the date of commencement of the policy and Section 45 of the Insurance Act 1938 is not operative, hence the Respondent's decision can not be interfered.

In the result complaint fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0081-13

Smt. Vimalaben Rameshbhai Patel V/s. LIC of India

Award dated 4th December 2012

Repudiation of Death Claim

Complainant's husband's death claim repudiated by the Respondent on the ground of non disclosure of material information regarding his health and previous policy.

On scrutiny of all documents of both the parties the Forum denied the death claim, hence Respondent's decision to repudiate the death claim is upheld without any relief to the complainant.

Thus complaint stands disposed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0034-13

Smt. Sushilaben S. Barot V/s. LIC of India

Award dated 4th December 2012

Repudiation of Death Claim

Complainant's husband's death claim repudiated by the Respondent on the ground of lapsed policy as on the date of death.

Premium due on 11-03-2011 was paid on 10-05-2011 and death occurred on 11-05-2011. Hence the decision of the Respondent to repudiate the claim cannot be intervened.

In the result complainant fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No. 21-009-0003-13

Smt. Alkaben N. Shah V/s. Bajaj Allianz Life Insurance Co. Ltd.

Award dated 5th December 2012

Repudiation of Death claim

Complainant's husband was a member of Bajaj Finance Group Master Policy Holder issued by Bajaj Allianz Life Insurance Co. Ltd. Policy incepted from 17-03-2011 and her husband died on 8-10-2011 i.e., within 4 months from the date of risk covering. Death claim lodged by the Complainant was repudiated by the Respondent on the ground of withheld material information regarding his health at the time of affecting the assurance. Respondent produced sufficient proof that the DLA was a heart patient since 2004 like Medical certificate, discharge summary of previous treatment and loan application for advance treatment expense.

In view of this, complainant fails to succeed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-007-0002-13

Shri Dinesh Jatiya V/s. Max New York Life Insurance Co. Ltd.

Award dated 10th December 2012

Repudiation of Death Claim

A Death Claim lodged by the Complainant on death of his son was repudiated by the Respondent giving reason that the policy was in lapsed condition at the time of death.

Premium due on 25-09-2011 was not paid and death occurred on 08-11-2011. Complainant requested to refund the premium paid amount which was denied by the Respondent because as per Terms and Conditions of the policy, minimum 3 years premium should be covered to the Company whereas the insured paid only 2 years premium.

The Forum also recommended to pay the premium paid amount if it is possible.

Thus complaint stands closed.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0001-13

Smt. Anjanaben R. Mehta V/s. Life Insurance Corporation of India Ltd.

Award dated 10th December 2012

Repudiation of Death Claim

Complainant's husband was holding 3 Life Policies one commenced from 28th August 2002 and others commenced on 28-04-2010. Her insured husband was died on 17-11-2011 and death claim lodged was repudiated by the Respondent on the ground of suppression of material information. One policy year 2002 was revived in July 2010 so Section 45 of the Insurance Act 1938 is not operative. Moreover the complainant is nominee and 2nd wife of the DLA, the death of the first wife was not disclosed in the Proposal Forms dated 5-3-2010.

In view of all these, Respondent's decision to paid-up value is upheld without any relief to the Complainant.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-019-004-13

Shri Ganpat P. Prajapati V/s. Aegon Religare Life Insurance

Award dated 12th December 2012

Repudiation of Death Claim

Complainant's father expired on 7-12-2011 and claim lodged by the complainant was repudiated by the Respondent on the ground of having withheld material information regarding health at the time of affecting the policy and gave false answers in the Proposal Form.

DLA had insured with another Insurance Company commenced in the same year i.e. 2010 which was paid by them.

As per Post Mortem Report, the DLA expired due to Heart Attack. DLA was a known case of Stroke and Hemiplegia for the last 7 years , DLA was unemployed and

having policy with Bajaj Allianz for S.A of Rs.8.00 Lacs, no relative was present at the time of admission and death took place.

In view of these, Respondent's decision to pay paid-up value is valid and proper and complaint fails to succeed.

BHUBANESWAR

Bhubaneswar Ombudsman Centre

Complaint No. 21-009-1458 Death Claim

Pradeep Kumar Padhy Vs Bajaj Allianz Life Ins. Co Ltd.

Date of Award 08.11.2012

Fact: The Complaint is for repudiation of death-claim by the Opposite Party. The sister of the complainant deceased Mamata Kumari Padhi had taken a New Risk Care regular premium (non-participating) policy of insurance bearing No 0132549386 for Sum assured of 20,00,000/- with date of commencement 27.08.2009 and term of 36 years on her own life from the OP. She died on 07.06.2010 due to Cerebral Malaria. Being the nominee under the policy , the complainant applied for death claim to the insurer. But the claim was repudiated by the insurer on the ground of misrepresentation of facts regarding the occupation and income of DLA at the time of taking of the policy. As such he filed the complaint seeking relief. The OP stated that prior to the proposal i.e., in November, 2006 the DLA had taken medical consultation/ treatment for Neurological problems in her. For taking the policy, she mis-represented facts regarding her occupation and income in the proposal form dated 24.08.2009 where she declared her annual income as Rs 2,10,000/- though as per the letter of the Principal, St.Xaviers High School, Berhampur she was working as Librarian in the school from 01.12.2009 to 30.04.2010 as a temporary employee with a monthly salary of Rs 3,600/-. All these facts with regard to her consultation/ treatment, occupation and income were well known to her prior to making of the proposal for insurance. But she deliberately concealed these facts in the proposal. For non- disclosure of above material facts, the claim has been repudiated.

Award: Documents filed on behalf of the OP as referred to above have been found dependable and acceptable. These documents bring out that by the time when the proposal was submitted by the DLA she was not serving as a teacher in the St. Xaviers School, Berhampur. The medical Certificate being accepted it would follow that the DLA took medical consultation on 30.11.2006. But in the proposal form as against question No 14(b) and 14(i) she had denied her Neurological disease and taking medical advice within preceding 5 years. When such a conclusion is arrived at, it follows that the DLA was not a teacher in the St.Xaviers High School, Berhampur that she was not a salaried employee in the School, that she did not earn Rs.2.1 lakhs and that in November 2006 she

took medical consultation for neurological problem in her. But as already noted she furnished completely contrary facts in the Proposal made by her to take the policy in question. Thus, there was not only suppression of health condition but also misstatement of facts regarding her income and occupation made by the DLA. The complaint being devoid of merit is hereby dismissed'

Bhubaneswar Ombudsman Centre

Complaint No. 24-007-1460 Death Claim

Abhumanyu Barik Vs Max New York Life Ins. Co Ltd.

Date of Award 29.10.2012

Fact: The complaint is for delay in refund of premium by the insurer. The Complainant had taken a policy of insurance under plan Stepping Stones 11 year-GTFS (Participating) vide policy No. 241316488 on the life of his wife Mrs. Kabita Barik from the OP for sum insured of Rs 50,000/- on payment of premium of Rs 3,458/- by semi-annual mode and with date of commencement 24.03.2004. His wife died of leukemia on 26.04.2006. he lodged the death-claim with the O.P. which repudiated the claim on the ground of non-disclosure of material facts relating to the health of the life insured in the Health Declaration Form filed for reinstatement of the policy. He filed the complaint but got no response . Then he wrote to the O.P. to return the premium amounts deposited by them. The O.P. did not return him the premiums deposited by him on the policy. Being aggrieved thereby, he has filed this complaint.

The O.P. stated that due to default in payment of 2nd and 3rd instalments of the premium in time which were due on 26.09.2004 and 26.03.2005 respectively, the policy had lapsed. Subsequently, on receipt of the back premiums for 2nd and 3rd instalments and current premium due on 26.09.2005 with the 'Health Declaration Form' (for short 'HDF' hereinafter) on 22.03.2006, the policy was reinstated on 25.03.2006. The medical papers of Dr. Krupasindhu Panda and of Dr. Rabindra Kumar Jena and the test reports of Health Investigation Centre, Mangalabag, Cuttack and of Dr. Pratibha Sen showed that she was suffering from Leukemia and taking of medical treatment from 22.02.2006. She had not disclosed these facts in the HDF at the time of reinstatement of policy on 22.03.2006. Had these facts been disclosed before it, it would not have reinstated the policy. As such the claim was repudiated and no benefit including refund of the premium was payable under the policy.

Award: The HDF was signed by both the Complainant & his wife, the DLI on 08.03.2006 when they did not state a word about the suffering and the treatment of DLI for the disease of leukemia. It would therefore follow that there was suppression of fact of illness & medical treatment of the DLI made in the HDF by both the Complainant & his wife, the DLI. It has been found that there was non-disclosure of facts as regards the illness and the treatment of DLI in the HDF by the authors of the document who secured revival of the lapsed policy by suppression of above facts from the Insurer. Repudiation of death-claim for suppression of the above material facts by the O.P. cannot under the above circumstances held to be unjust or improper. The policy conditions make it clear that if any concealment, non-disclosure, misrepresentation made or fraud played by the policy-holder, it would render the policy liable for cancellation and/or voidable at the option of the company. If it deems fit, the company may also forfeit the premiums received. The complainant is not entitled to either the death-claim or refund of the premium. Hence, the complaint being without merit is hereby dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 21-001-1461 Death Claim

Gopal Charan Mallik Vs LIC of India, Cuttack BO-I

Date of Award 15.10.2012

Fact: The complaint is for repudiation of Death Claim by the Insurer.

The brother of the complainant Late Natabar Mallik had taken a Jeevan Anand policy bearing No.589443524 589443524 commencing from 13.07.2007 under Table-Term 149-17 for sum assured of Rs.1,00,000/- with payment of premium at the rate of Rs.1783/- by quarterly mode. He died on 12.09.2007 . Being the nominee, he filed the claim with the OP which was repudiated on the ground of withholding of material information regarding his health & habit at the time of taking the policy. Being aggrieved thereby, he filed this complaint.

The O.P. stated that the Life Assured died of Carcinoma in Liver a month and 29 days after commencement of the policy. which commenced on 13.07.2007. The Medical papers which include OPD Ticket of Acharya Harihar Cancer Centre,Cuttack revealed that on 11.05.2007 which date was before date of Proposal of the deceased LA, the disease of cancer was diagnosed in him (LA). But this material fact was concealed by the LA while submitting the Proposal for the policy to it. For suppression of this material fact, it repudiated the claim..

Award: Evidences before the O.P established that prior to the date of proposal the LA was suffering from Carcinoma of Liver and that he had received treatment for the disease. It would be clear from these documents that Natabar Mallick received treatment at AHRCC, centre for some period continuously till his death which occurred on 12.09.2007. It needs no emphasis to say that particulars furnished in the Proposal by the Proposer are material for underwriting purposes of the policy. As it is found, for taking the policy the LA has furnished false information as regards his own health & suffering. When such false information is given by one party to the contract of insurance, the other party is legally entitled to avoid its liability under the policy. Repudiation of claim of the Complainant as has been made by the OP cannot be held to be unjust and improper. Hence the complaint is dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 21-009-1464 Death Claim

Smt.Namita Swain Vs Bajaj Allianz Life Ins. Co Ltd.

Date of Award 31.10.2012

Fact: The complaint is for repudiation of Death Claim by the Insurer. The husband of the complainant late Naina Swain had taken from the O.P. its New Family Gain II non-participating policy of insurance of 30-year term commencing from 28.03.2010 for sum assured of Rs.1,00,000/- on payment of premium of Rs.10,000/- by yearly mode vide Policy no.0163248664. On 20.07.2010 the DLA died of cerebral malaria. Being the nominee under the policy she filed the death-claim with the O.P. But her claim was rejected by the insurer on the fake ground that the DLA had history of treatment for HIV since January'2010 which fact was not disclosed at the time of taking of the policy. Accordingly she filed the complaint.

The OP stated that in course of investigation of the death-claim, it could be known that the DLA who submitted the Proposal on 30.03.2010 for taking the policy, suffered from HIV from January 2010 receiving treatment therefor at MKCG Medical College, Berhampur vide ART Registration No.5665/10 dated 29.01.2010. as such claim was repudiated and at the same time, it paid the fund value on the policy amounting to Rs.3,960/- to the nominee.

Award: The O.P. who as shown, has been denied by the Hospital Authority to get the treatment papers relating to above patient, has sought for consent of the complainant, the wife of DLA to procure the document from the Hospital. The copy of the letter sent to the Complainant to record her consent therein for sparing of the medical records in respect of her husband insofar as alleged treatment for HIV infection of Naina Swain is concerned, has been filed. It is stated on behalf by the O.P. that the Complainant has not given his consent so far. The copy of the letter shows that this letter has been sent the complainant as early as 23.08.2012. But the consent is not given. The complainant who in order to disprove the contention of the O.P. with regard to her husband's HIV treatment could swear the affidavit and collect joint statement of 12 villagers would not give her consent to help the O.P. to obtain Hospital Papers. Her non-cooperation with the O.P. in the matter would bound to give rise adverse inference against her to support O.P.'s stand that Mr. Naina Swain was treated vide Regd. No. 5665/10 dated 29.01.2010 for HIV infection from 29.01.2010, a date which was prior to filing of Proposal for the policy by the DLA. Since best material has not been made available by the complainant against whom under the circumstances adverse inference shall have to be drawn. Consequently, the contention of the OP that the DLA took treatment for HIV infection shall have to be accepted. It would therefore follow that prior to submission of the proposal the DLA received treatment for HIV. But as noticed in the Proposal form he has denied this fact. The non-disclosure of this fact amounts to suppression of material facts which, when done by the insured, entitles the insurer to avoid its obligation and to deny payment of the benefit under the policy to the DLA's Nominee. Therefore the complainant is not entitled to the death benefit under the policy. Hence, the complaint is dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 24-001-1469 Death Claim

Smt.Laxmipriya Tripathy Vs L.I.C. of India, Keonjhar BO

Date of Award 30.11.2012

Fact: The complaint is for delay in settlement of death by the insurer. The husband of the complainant Late Jagannath Tripathy had taken two Jeevan Saral (With profits) policies of insurance under Table-Term 165-20 from the OP-Insurer - one bearing no. 588294871 commencing from 05.12.2008 for sum assured of Rs.62,500/- with premium of Rs.766/- under quarterly mode and the other bearing no. 588296628 commencing from 28.01.2009 for Sum Assured of Rs.1,00,000/- with premium of Rs.1225/- under quarterly mode. He died on 15.02.2009. she submitted the claim papers with the insurer. Since she receives no response from the insurer , she filed the complaint.

The OP stated that investigation carried out by it revealed that the LA died at SCB Medical College and Hospital, Cuttack. The Bed-head Ticket(for short 'BHT' hereafter) reveals that he was admitted on 13.02.2009 with Hypoplastic Anaemia and died there on 15.02.2009 but the Complainant had stated the place of death as his residence at Goudadiha. After this, it wrote to the Complainant on 04.05.2012 asking her to submit the Claim Form B & B1, treatment particulars and a fresh Death Certificate with correct place of death. The Complainant has not responded to its letter. Its Divisional Medical Referee (DMR) has opined that no patient afflicted with this disease would die within 2 days and the disease might have been pre-existing in the LA prior to taking the policy. With the contention that the LA suppressed this fact during proposal, it repudiated the claims.

Award: The Complainant has approached this forum raising her grievance against the O.P for delay in settlement of her death-claims. The reply given by the O.P. to the complaint in the SCN is to the effect that the claim of the complainant has been repudiated. There being a material change in the situation in relation to the claim, this forum would no longer be required to consider the matter of delay and to grant any relief for early disposal of the complainant's claim. The position in the case is neither there was a written representation made by the complainant disputing the ground of rejection of her claim, nor the OP had the opportunity to reconsider its decision in the light of facts, if any, brought to its notice by the claimant through such representation. Therefore, if any written representation is advisedly made by the complainant against repudiation, the O.P. would dispose of the same and communicate result thereof within one month from the date of receipt of the representation from the complainant. Hence, the complaint is dismissed in terms of the observation made above. It is open to the Complainant to agitate her grievance against repudiation of her claim within a month from the communication of this order to her and if such a representation is made in writing , the O.P. would dispose of the same and communicate the result thereof to the Complainant within a month from the date of receipt of the Complainant's representation by it.

Bhubaneswar Ombudsman Centre

Complaint No. 21-001-1476 Death Claim

Smt.Parbati Nayak Vs L.I.C. of India, Bhadrak BO

Date of Award 15.11.2012

Fact: The complaint is for repudiation of Death Claim by the Insurer.

The daughter of the complainant late Mamata Nayak had taken a policy of insurance from insurer. Her said policy matured in the year 2008. Out of the proceeds of the policy she received, she purchased the Jeevan Anand policy of insurance with profits under table-term no.149-17 on her own life from the insurer for sum assured of Rs.1,00,000/- on payment of premium of Rs.7,508/- by yearly mode with the policy commencing from 10.06.2008 vide policy no.587164883. She died on 13.03.2010 of renal failure while being taken to the hospital. Being the nominee, she lodged the death claim with the O.P. submitting necessary documents including Certificate of Hospital Treatment. But the O.P. unjustly repudiated her claim assigning the ground that LA was suffering from Paraplegia since 1982. Stating that the LA was not ill before taking the policy and was never admitted to any hospital for treatment of any ailment and her suffering started only in November'2009, she has prayed for settlement of the death claim in her favour quantifying the amount of relief at Rs.2 lakhs in Form P-II.

The OP stated that in the examination of the claim, it was found out from the Certificate of Hospital Treatment issued in Form No.3816 by the Doctor who last attended the Life Assured that she was suffering from Paraplegia since the year 1982. But this material fact was not disclosed by the LA in her Proposal given for taking the policy by her. As such claim was rejected.

Award: It is clear from the Certificate of Hospital Treatment that since 1982 she was having the illness of Paraplegia with Neurogenic Bladder caused by compressive Myelopathy. Thus, clearly in the proposal form, the LA did not disclose her above ailments under 'Personal History' column. There cannot be any doubt that the personal health history of the LA is a material fact for underwriting of the policy by the O.P. It may be noted that the proposal form requires disclosure of complete, true and accurate fact in the proposal form. Non mention/suppression of such fact by the insured renders the policy invalid with forfeiture of the amount paid in respect of the policy. In such circumstances, repudiation of claim of the complainant as has been made by the OP would not be unjust or unlawful. Thus, the complainant is not entitled to the death claim. Hence, the complaint is hereby dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 21-009-1487 Death Claim

Amar Kumar Parija Vs Bajaj Allianz Life Ins. Co Ltd.

Date of Award 05.12.2012

Fact: The complaint is for repudiation of Death Claim by the Insurer.

The father of the complainant late Akuli Charan Parija had taken two policies of insurance on his own life from the O.P.-Insurer bearing policies nos. 72723888 and 215430891 commencing from 21.10.2007 and 25.04.2011 respectively. The policy under no. 215430891 was under plan-Invest Gain Economy for the term of 18 years with premium of Rs.3,011/- payable by quarterly mode. The LA died on 15.08.2011 of heart-attack. Being the nominee under the policies, he filed the death claims under the two policies with the O.P. with supporting documents. The O.P. settled the claim under policy no.72723888 wherein the sum assured was less paying him Rs. 61,144/- towards the death-claim. But it repudiated the similar death-claim in respect of policy no. 215430891 where the sum assured was Rs.1,99,000/- on the ground of understatement of his(LA's) age by 16 years submitting fake material in proof his age.Hence he filed the complaint.

The OP stated that after receipt of death intimation an internal investigation was conducted by it which brought out that the DLA had deliberately understated his age by 16 years by submitting with the proposal the fake School Leaving Certificate of a non-existing School in proof of his age. Since understatement of age was made filing fake document and correct material fact as regards age was not disclosed, the claim was repudiated.

Award: Turning to the question of genuineness of the Transfer Certificate, on behalf of the OP a certificate granted by the Sarpanch of Mendhapur GP on 08.11.2011 has been produced. It is mentioned by Sarpanch, no U.P. School in the name of Mendhapur UP School exists within the Mendhapur GP. No contrary document is filed by the complainant to controvert this fact. Thus, as per the material available on record, the certificate issued by the so-called School cannot be accepted as a genuine one. In the above circumstances, there being mis-statement of fact made by the LA with regard to his age which aspect has been found to be very vital for the policy, repudiation of the death-claim of the complainant as has been made by the OP cannot be said to be unwarranted.

As per the policy conditions the policy ought to have been taken by the OP as cancelled and the premium should have been refunded subject to such deduction which policy prescribes. The policy would show that the regular premium amount was Rs 3011/- and the policy had run for 3 months and 20 days by the time of the death of the LA. Having come to the conclusion that the policy would not have been issued to the LA had the correct age been stated, the OP ought to have refunded the premium amount paid after deduction of the charges as prescribed. Hence, the prayer of the complaint insofar as it relates to the death claim under policy No. 215430891 is rejected. The complainant being entitled to get refund of premium deposit, the OP is directed to refund the premium after necessary deductions as per the policy.

Bhubaneswar Ombudsman Centre

Complaint No. 24-001-1496 Death Claim
Debendra Kumar Parida Vs L.I.C.of india,Cuttack Bo I.
Date of Award 20.12.2012

Fact : The complaint is for delay in settlement of the death-claim under 'Jeevan Sathi' policy of insurance of the Complainant by the Insurer. The Complainant had taken the Jeevan Sathi (Double Cover Joint Life Plan) With Profit policy of 15 year term commencing from 10.02.1999 bearing policy no. 583122517 from the O.P. jointly on his own life and on the life of his wife-Late Dali Parida for sum assured of Rs.50,000/-. Due to heart attack, his wife died on 16.08.2007. He filed the death-claim with the O.P. submitting all relevant documents on 25.04.2008 for settlement of his death-claim. After a long gap, he received the letter dated 16.11.2011 from the O.P. where under he was asked to produce all past treatment records of his wife for the period from 12.01.2004 to 16.08.2007. Being approached by him, the Doctor refused to sign the papers again. Alleging harassment at the hands of the O.P. in getting his claim, he filed this complaint for the death-claim amount with interest and compensation from the O.P. for delay in settlement.

The O.P. stated that the policy in question which commenced from 10.02.1999 was revived on 12.01.2007. Death of the life assured having occurred on 16.08.2007, it became an early claim. Since the documents relating to treatment particulars for the period after the date of revival i.e 12.01.2007 were submitted, it asked the claimant to submit the treatment particulars for the period 12.01.2004 to 16.08.2007 as well as fresh Form B and B1 vide its letter dated 25.07.2008 which was followed by reminders dated 10.09.2008, 24.12.2008, 29.01.2009 and 12.03.2009 sent to him due to his non-response to its successive letters. For non-compliance of requirement by the Claimant as the claim could not be settled, the claim was taken to Written- Back Account on 31.03.2009. On receipt of the copy of the complaint from this Forum, it reconsidered the claim and decided to admit the death-claim liability due to non-availability of documentary evidence on the illness of LA prior to the date of revival of the policy and paid the death claim amounting to Rs.44,822/- vide cheque no. 1027763 dated 03.05.2012 and has granted Premium Waiver Benefit to the 2nd life i.e., the Claimant. At last, it is stated that as the grievance of the complainant has been redressed, the complaint may be closed.

Award: The fact of receipt of sum of Rs.44,822/- towards the death claim being admitted by the Complainant at the hearing, a part of the relief asked for by the Complainant insofar as it relates to the death claim stands already addressed. The same amount having been paid to the Complainant, the death claim is fully satisfied. Besides the death claim, the Complainant has in Form No. P-II asked for interest as well as compensation for delay in payment of the death claim to him. It has been already found that the action which the O.P. took after receipt of the copy of the complaint from this Forum could have been taken much earlier. It would, thus follow that there is delay made in the settlement of the claim by the O.P. Therefore, the insurer is liable to pay interest to the Complainant for the period of delay at the applicable penal rate. Hence the complaint is allowed in part. The O.P. is directed to pay penal interest at the applicable rate for the period of delay in payment of the death claim to the Complainant.

Bhubaneswar Ombudsman Centre

Complaint No. 21-009-1497 Death Claim

Prafulla Kumar Sahoo Vs Bajaj Life Ins. Co. Ltd. Angul.

Date of Award 21.12.2012

Fact: The complaint is for repudiation of death- claim by the Insurer.

The wife of the complainant Late Sabitri Sahoo had a Max Gain Policy from the OP of 10 year term commencing from 20.02.2010 for sum assured of Rs.2,50,000/- vide policy no. 0153089221 by paying Rs.50,000/- towards first annual premium. She died on 12.11.2010 after being hospitalized in SUM Hospital, Bhubaneswar. Being the nominee under the policy, he lodged the death claim on 16.12.2010 with the O.P. which repudiated the claim on the ground that the LA was under treatment for Diabetes Mellitus (DM) since 08.01.2010 i.e before taking the policy. Being aggrieved, he filed the complaint seeking relief of payment of Rs.2,50,000/- with interest or alternatively refund of the deposited amount of Rs.50,000/-.

The Op stated that the DLA was under consultation/treatment for DM since 08.01.2010 as evident from the case sheets of Capital Hospital, Bhubaneswar dated 08.01.2010. These facts were known to LA who deliberately concealed the facts in the proposal by answering 'No' to Question No.14 (g) in the proposal form. It is stated that as material facts were not disclosed, the claim was repudiated.

Award : In the proposal form the LA did not disclose about her suffering and treatment from the disease of diabetes. It would be noticed that the proposal form bears the date 08.02.2010. It has been found that treatment of the LA for the disease of diabetes was taken from 08.01.2010. Thus one month prior to the proposal, the treatment of the LA for the disease of diabetes had commenced, a condition which made her to go to Super speciality department of Capital Hospital for treatment. Non-mention of this fact in the proposal would definitely amount material suppression of fact. Rejection of the death-claim by the O.P. for such suppression of essential and relevant facts of past and current disease and treatment relating to diabetes by the proposed insured cannot thus, be said to be unwarranted. Therefore, the complainant is not entitled to the death-claim as sought for. Alternatively, the complainant has sought the relief of refund of the deposited amount of premium with up to date interest. Clause 12 of the policy conditions provides that if the policy holder either not disclosed all facts or misrepresented facts in the proposal form etc. which may have effected company's decision, the company shall have the right to avoid the policy. It is further provided that in such case, the company shall not make any payment including premium under or in respect of the policy. Such being the conditions of the policy, nondisclosure of fact of her suffering from the disease of Diabetes being not made by the LA in the Proposal, the complainant is also not entitled to get even the refund of the premium. Hence the complaint being devoid of any merit is dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 21-009-1498 Death Claim

Pabitra Mohan Mohapatra Vs Bajaj Life Ins. Co. Ltd. Angul.

Date of Award 24.12.2012

Fact : The complaint is for repudiation of death-claim by the Opposite Party-Insurer.

The father of the Complainant Late Pravakar Mohapatra had taken from the O.P. a Capital Unit Gain policy of 20-year term commencing from 08.02.2007 for sum assured of Rs.1,00,000/- on annual premium of Rs.10,000/- vide Policy No. 0038367358. His father died of cancer on 04.04.2011. Being the nominee under the policy, he lodged the death-claim with the O.P which was repudiated on the ground of non-disclosure of material fact relating to health in the Declaration of Good Health (DGH) dated 03.01.2011 by the policy-holder at the time of revival of his policy. He represented on 16.01.2012 but instead of paying the death-benefit, the O.P. credited Rs.17,379/- towards the fund value on the policy to his Bank A/c. He filed this complaint against the O.P. for full death-benefit.

The O.P. has stated that the policyholder died 3 months and 1 day after revival of his policy on 03.01.2011. For revival, the policy-holder had filed DGH in which he deliberately concealed the facts about his suffering from Carcinoma Left Lung, and his undergoing ICT Drainage, hospitalization & medical investigation at Panda Curie Cancer Hospital during the period from 17.07.2010 to 26.07.2010. For non-disclosure of above facts in the DGH, the death claim was repudiated. It is further stated in the SCN that on the policy it has paid the Account value of Rs.17,379/- to the nominee.

Award: He submitted that Lungs cancer was detected in the year 2010 in his father who was completely cured of the disease after taking treatment, that the Agent did not inform his father about the requirement of a cured disease to be mentioned and that his father did not make any false declaration in the Declaration Form. It would be evident from the Discharge Summary of Panda Curie Hospital that the patient-Pravakar Mohapatra, undisputably the LA, was admitted into the Hospital on 17.07.2010 and he was discharged after treatment on 26.07.2010. At the time of admission, the disease diagnosed in the patient was CA(Carcinoma) of left lung. At the time of hearing the complainant who is the son of LA admitted about his father taking treatment for lung cancer in the year 2010. Clearly, wrong statement was made by the LA and no mention was made by him about his disease & treatment for cancer which exceeded the duration of a week in the DGH form.. It would therefore follow, giving false answer the policy was got revived by the LA. In such circumstances, no exception can be taken to the repudiation of the death claim by the O.P.. Sub-section 4 of Section Policy conditions 6 stipulates that if at least 3 full years regular premium has not been paid and the policy is lapsed, the existing fund value would be paid on the death of the life assured . As per its own showing, the O.P. has already determined and paid the fund value of Rs.17,379/- on the policy to the nominee. The Complainant does not raise any grievance with regard to the correctness of the Fund Value as has been worked out by the O.P. and paid to him. Such being the position, the Complainant is not entitled to any further amount on the policy including the death claim. Hence, the complaint, being devoid of merit, is dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 21-006-1501 Death Claim

Narendra Mohanta Vs Birla Sun Life Ins. Co. Ltd.

Date of Award 26.12.2012

Fact: The complaint is for repudiation of death-claim by the Opposite Party-Insurer.

The wife of the complainant Late Bilasa Mohanta had a Dream Endowment Insurance policy bearing No.004250094 commencing from 09.07.2010 for sum assured of Rs 4,29,000/-for 30 year term with 20-year pay term and premium payable by annual mode @ Rs.20, 046.41. The LA i.e., Bilasa Mohanta died on 15.07.2010 .Being the nominee, he lodged the death-claim submitting all documents with the O.P.at it's Keonjhar Branch. The O.P. repudiated the death-claim on 30.11.2010. Being aggrieved, he has filed this complaint.

The O.P stated that in the investigation, it came to the light from the medical prescription & pathology report of the LA that before issuance of policy, she (LA) was suffering from Malaria. She received treatment at Susti Homeo Clinic at Jashipur for Malaria on 24.04.2010, 17.05.2010 and 02.07.2010. Her blood examination report i.e., Widal test done on 02.07.2010, These health conditions in her were not disclosed in the Application dated 06.07.2010 submitted by her for taking the policy. As non-disclosure of material facts was made by the LA, it resulted in absence of proper assessment of risks and it would not have issued the policy to the LA. As such the claim was repudiated.

Award: The medical papers, as referred to above establish that the LA suffered from and also took treatment for Malaria and Typhoid before submission of the application for the policy on 06.07.2010. The copy of the proposal would show that as against the questions relating to Medical and Personal History of the LA vide no. XII (3), the LA had denied her suffering from any disease, ailment and medical tests. The statements made in the proposal were confirmed by a declaration by the LA that the facts stated in the proposal form were all true and correct. On the facts already found regarding the earlier treatment & medical test of the LA for Malaria & Typhoid, it would follow that the statements as made in the application for the policy under Medical and Personal History of the LA were all false and there were non-disclosure of material facts made in the Application by the LA who by suppression of material facts from the insurer took the policy for her. In such situation, repudiation of the claim as has been made by the O.P. cannot be faulted. The Complainant, therefore, is not entitled to the death claim as asked for. Hence, the complaint, being devoid of merit is dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 21-009-1510 Death Claim

Smt. Kamala Hantala Vs Bajaj Allianz life Ins. Co. Ltd,

Date of Award 17.12.2012

Fact: The complaint is for repudiation of her death-claim by the Insurer.

The husband of the complainant Late Danguru Hantala had taken on his own life Invest Plus Premier policy of insurance of 20 year term commencing from 11.08.2010 for sum assured of Rs.1,60,000/- with half-yearly mode of payment of premium of Rs.8,000/- from the O.P. vide Policy No. 0183113888. He died on 03.09.2011. Being the nominee under the policy, she lodged the death-claim. The Insurer repudiated the claim as the policy had lapsed .Being aggrieved, she has filed this complaint seeking relief of payment of basic sum assured.

The O.P stated that the policy was in lapsed condition by the time of date of death of the LA due to non-payment of premium due on the policy where under only the initial half-yearly premium was paid and no further premium was paid. Due to non-payment of premium due on 11.02.2011 within the grace period of 30 days, the policy lapsed as per policy Point no. 12 and hence no claim is admissible.

Award : The policy stipulations of O.P.'s Invest Plus Premier Plan which the deceased Danguru Hantala had taken from the O.P. as contained in the policy document, a printed copy of which has been filed on behalf of the O.P. would make it clear that in the event of non-payment of the regular premium falling due within the first three policy years, the policy shall automatically and immediately lapse and no benefit, as per Sec 3 of the Policy Document in respect of the Accrued Maturity Value shall be payable. On behalf of the Complainant, no money receipt is filed to support her contention regarding payment of the second half yearly premium. The available materials would show deposit of first half yearly premium only by the DLA. The contention of the Complainant that the 2nd half yearly premium was paid is not substantiated by the Complainant on whom the burden lies to establish the fact. As already noted which fact is also borne out from the policy schedule, the date of commencement of the policy was 11.08.2010. The premium paying mode being half yearly, the 2nd premium was due on 11.02.2011. There is total lack of evidence showing deposit of this premium by the due date or within the period of grace which policy conditions allow for payment of the premium due. Death of the LA occurred on 03.09.2011 by which date, as per the policy stipulations, the policy had for non-payment of premium due on 11.02.2011 stood automatically lapsed. As noted, on such a lapsed policy, no benefit is payable. The policy condition does not provide for refund of any account value or paid-up value on such a policy. In the circumstances, the Complainant is not entitled to the relief as sought for by her. Hence, the complaint, being devoid of merit is dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 24-001-1524 Death Claim

Bikram Ranjan Patnaik Vs L.I.C. of India, Berhampur CAB

Date of Award 31.12.2012 **Fact :** The complaint is filed for delay in payment of Survival Benefit and in settlement of death-claims arising out of two policies of insurance taken from the Insurer. The sister of the complainant namely Late Renuprabha Patnaik had taken two policies of insurance from the Insurer: one bearing no. 570439542 under Table-Term 14-21 commencing from 14.05.2001 for sum assured of Rs.30,000/- on quarterly premium of Rs.387/- and the 2nd one bearing no. 571367026 under Table-Term 174-20 (Bima Gold Plan) commencing from 28.11.2005 for sum assured of Rs.40,000/- on quarterly premium of Rs.534/-. His sister died on 02.09.2010. It is stated by the complainant that being the nominee under both the policies, he filed the claim with necessary documents to the O.P. on 14.09.2010 for settlement of death claims as well as for payment of unpaid Survival Benefit under the policies. Despite his several contacts with the O.P., when he did not get any response, he filed this complaint seeking direction from this forum to the O.P for payment of his afore-mentioned claims under the policies.

The O.P. stated that by the time of death on 02.09.2010, the policy no. 570439542 had lapsed into paid-up condition due to discontinuance in payment of premium after the month of August, 2007. The Branch could not make any progress in settlement of claim due to non-receipt of the death certificate etc. from the Complainant. It states that upon receipt of these documents it would take up the matter to settle the claim as per rule. In respect of the other policy no. 571367026, it is stated by the O.P. that the premiums due under this policy were not paid from November 2007. The terms and conditions of the policy provided Auto Cover period benefit of 2 years from the date of first unpaid premium. Default in payment of premium having occurred from November 2007, Auto-Cover period expired on 28.11.2009. As the LA died on 02.09.2010, i.e., beyond the auto cover period, no claim under the policy is admissible. It is stated that on receipt of documents from the complainant, it would settle the claim in favour of the nominee.

Award : Survival Benefit under the second policy No571367026.. was payable at the end of every 4th year of the policy. Much prior to the date the SB became due, the policy had lapsed. Had the LA got her policy revived and made it operative, survival benefit to the extent of 10% of the sum assured at the end of first 4th year i.e.on 28.11.2009 would have been received by her. But default in payment of regular premium due in Nov, 2007 having occurred, the policy had lapsed. To sum up therefore, in respect of the policy no. 570439542 the complainant is entitled to paid-up value with penal interest from the date it is normally payable. It is frankly stated on behalf of the OP that death certificate of the LA and the other relevant papers to settle this claim are not available with it. In such circumstances, the complainant would do well to make these documents once again available to the O.P. as per latter's letter dated 04.12.2012 received by him by speed post to facilitate payment of the paid-up value with penal interest in relation to policy no. 570439542. The claim in respect of second policy i.e., policy no. 571367026 is rejected. Hence, the complaint is allowed in part. It is directed that on receipt of the death certificate of the LA and other papers from the complainant, the O.P. would settle the paid-up value on the policy No 570439542 with penal interest at the rate prescribed from the date the paid-up value would have been normally paid taking the date of receipt of the papers with the letter of the claimant dated 14.09.2010, without any delay.

Bhubaneswar Ombudsman Centre

Complaint No.21-002-1530

Death Claim

Smt Minati Pradhan Vs S.B.I. Life Ins. Co.Ltd.

Date of Order 08.02.2013

Fact: -It is stated by the complainant that her husband Late Anadi Narayan Pradhan who was a Group D employee of BSNL Balasore unit , got life cover under O.P.'s S.B.I. Dhanaraksha Plus LPPT Group Insurance Scheme by paying a premium of Rs. 25000/-, as he had availed of Housing loan of Rs.480000/-from S.B.I. On sudden death of her husband , she applied for the death claim which was repudiated by the O.P. Her representations being rejected , she has filed this complaint.

In its self contained note , the O.P has stated that on enquiry it came to the notice that the LA was suffering from Diabetes Mellitus, Hypertension, Chronic Kidney Disease and Left Ventricular Failure prior to the date of enrollment into the insurance cover. The LA was admitted to District Headquarters Hospital, Balasore on 14.12.2010 for treatment of the above diseases and was subsequently referred to Kalinga Hospital, Bhubaneswar where he got treated from 15.12.2010 to 28.12.2010 as an in-patient. It is further stated that the LA also got treated for the above diseases by Dr. Iqbaliddin Ahmed, SDMO, Nilgiri, Balasore and Dr. Bibekananda Panda of Jyoti Hospital, Balasore. As the LA suppressed the facts about his suffering from the above diseases it repudiated the claim. The O.P. has submitted copies of the Referral Ticket dated 14.12.2010 of D.H.H, Balasore and Discharge Summary of Kalinga Hospital,Bhubaneswar, Certificate of Dr.Iqbaliddin Ahmed dated 21.01.2011, prescription dated 06.02.2011 of Dr. Bibekananda Panda and OPD Ticket dated 28.01.2011 of Kalinga, Hospital, Bhubaneswar in support of its contention. With these contentions, it has requested for dismissal of the complaint.

Award:- The Hon'ble Ombudsman opined that in the Proposal signed by the LA on 29.12.2010 he made a declaration denying his suffering from Diabetes and Hypertension also at any point of time prior to the Proposal. The above medical documents totally falsify the above declaration made by the LA in the Proposal given by him for taking the policy. There cannot be any controversy that pre-existing diseases are material information necessary for the Insurer for underwriting purposes. Concealment of facts relating to pre-existing diseases by the LA in the proposal would thus amount to suppression of material facts by proposed Group Member for securing insurance cover, so the repudiation of the claim as has been made by the O.P. does not call for any interference. Hence the complaint being devoid of merit is hereby dismissed.

Bhubaneswar Ombudsman Centre

Complaint No.24-001-1539 Death Claim

Sri Somanath Chakraborty Vs L.I.C.Of India

Date of Order 04.02.2013

Fact: This is a complaint filed against delay in settlement of death-claim.

The O.P. has stated that during investigation of the first policy taken at Jajpur B.O it was found that the same LA had taken another policy Barbil Branch for the equal amount of sum assured of Rs.5 Lakhs on 12.02.2005 i.e., two days after taking the 1st policy by deliberately concealing his previous insurance in the Proposal Form and purposefully supplying different information as regards his DOB, Age, Educational Qualification, Annual Income, Income Tax Declaration and Family History in the Proposal Forms for the two policies filed at its above two Branches with a view to avoiding essential underwriting scrutiny and the requirement for Special Reports for issue of the 2nd policy. The Complainant intentionally lodged the death-claim on the 2nd policy first to prevent repudiation of the death-claim under the 2nd policy because of non-disclosure of the fact of the 1st policy in the proposal form. These facts establish the fraudulent intention of both the DLA and the Complainant.

At hearing, the Complainant submitted that he was not aware of the policy taken by his deceased brother at Jajpur BO. In the year 2009, during search of certain documents, he came across the Jajpur Branch policy. The O.P. submitted that since the Barbil policy was taken by suppression of material facts and the claim on the policy has already been paid, it has repudiated the death claim in respect of the complaint policy taken from Jajpur Branch.

Award:- The Hon'ble Ombudsman opined that the claim made in respect of 2nd policy was settled without any objection as nothing to the effect is stated in the SCN or during hearing on behalf of the OP. When the claim on the 1st policy was made, it was denied on the ground that in the proposal of second policy the facts relating to the first policy was not disclosed. It is surprising how the first policy could turn defective for non-mention of the fact of the first policy in the Proposal filed at a subsequent date for taking another policy. It is further stated in the SCN that in the proposals of the two policies, different sets of information were furnished with regard to the Date of Birth, Age, Educational Qualification, Annual income, Declaration about Income tax assessment and Family History. Even accepting that two versions were furnished in the Proposals there is no warrant to conclude that the statements furnished in the 1st proposal were false or incorrect and the information in the 2nd Proposal was correct. As per OP's own showing, had the facts relating to the 1st policy been disclosed while taking the 2nd policy, the underwriting decision would have been different and that the claim in respect of the 2nd policy would have been repudiated. Not a word is stated by the O.P. with regard to the falsity of any information given in the 1st Proposal. Such being the position, the OP ought not to have repudiated the claim of the complainant upon the first policy. If the claim on the second policy was not allowable but the same was paid nothing prevented the OP from initiating the action for getting refund of the settled amount. Refusal of the claim on the first policy cannot by any stretch of justifiable reasoning be made on the reason of non-disclosure of fact in the proposal filed for taking another policy subsequently. Hence the OP is directed to settle the death claim in favour of the complainant without delay.

Bhubaneswar Ombudsman Centre

**Complaint No.24-001-1543 Death Claim
Smt Daljeet Kaur Vs L.I.C.Of India
Date of Order 27.02.2013**

Fact: This is a complaint filed by the Complainant against repudiation of death-claim on her husband's policy. The insurer repudiated her claim on the ground of suppression of material facts relating to health of the Life Assured. She claimed that her husband was a tee-totaller who did not suffer from any specific disease, was discharged from the hospital on 27.07.2010 in stable condition after remaining in the Hospital for 7 days for general weakness and slow fever which lasted for 3 days only. He died on 10.08.2010 and the death was sudden having no connection with the Discharge Certificate of the Kar Clinic. After rejection of her claim, she represented to the O.P.'s Zonal Manager at Patna but in vain. Being aggrieved, she has filed this complaint.

In its SCN, it is stated by the O.P. that the LA was admitted on 20.07.2010 to Kar Clinic & Hospital, Bhubaneswar where the disease diagnosed in him was Alcoholic Liver Disease as per the Discharge Summary of the Hospital which revealed that the life assured was a known alcoholic since 4 years. But this fact was not disclosed by the Proposer in the proposal form on 15.04.2010. As material facts were suppressed by the LA on his health & habit, the death claim was repudiated.

Award:- The Hon'ble Ombudsman opined that nothing is placed by the Complainant to show that the Doctor had any reason to record the false fact against the patient. Further, the fact recorded in the clinical profile of the patient describing that the patient was a known alcoholic rather gets confirmed from the diagnosis of the disease made in respect of the patient. Thus, one of the diseases diagnosed in the patient was due to alcoholism and without disclosing the relevant material fact in the Proposal, policy was taken by the LA. The policy of insurance is a contract of utmost good faith. Breach of this principle by one party would entitle the other party to avoid its part of obligation under the contract. In such circumstances, repudiation of the claim of the Complainant by the O.P. for suppression of material fact in the proposal form does not call for any interference. Hence, the complaint was dismissed.

Bhubaneswar Ombudsman Centre

Complaint No.21-009-1550 Death Claim

Smt suprabha Panda Vs Bajaj Allianz Life Ins. Co. Ltd.

Date of Order 28.02.2013

Fact: It is stated by the Complainant that her husband Late Bhaskar Panda during his life time had taken the Bajaj Allianz New Unit Gain policy of insurance for sum assured of Rs.1,00,000/- 04.12.2008 from the Opposite Party-Insurer. The Life Assured died on 03.02.2009 . Being the nominee under the policy, she lodged the death-claim with the O.P. who rejected the death claim on the ground that at the time of proposal her husband was suffering from Carcinoma Oropharynx but said fact was not disclosed in the proposal by him. Her representation to the Review Committee of the O.P. is also rejected. Being aggrieved, she has filed the complaint seeking the relief of payment of the death claim to her by the Insurer.

In its Self Contained Note,the O.P. has stated that the Life Assured(LA) took medical consultation/treatment for Carcinoma Oropharynx since 26.11.2008, a date which was prior to the submission of the proposal form by him on 01.12.2008 for taking the policy. But, he did not disclose these facts regarding his past disease at the time taking policy. Further, this was confirmed from the Medical Attendant Certificate and Certificate of Hospital Treatment. As there was material non-disclosure, it repudiated the claim and paid the fund-value of Rs.557/- to the Complainant.

Award:- The Hon'ble Ombudsman opined that from the bunch of medical papers& receipts filed on behalf of the OP would show that the Life Assured underwent medical tests and received treatment at Acharya Harihar Regional Cancer Centre, Cuttack on 26.11.2008 under OPD Regd. No. 8852 dated 26.11.2008. The fact of the Life Assured taking consultation at AHRCC, OPD on 26.11.2008 with the health problem caused by his inability to open the mouth, to eat and to protrude the tongue gets corroborated from the Medical Attendant Certificate filed in relation to Complainant's claim. The LA undisputably died of Carcinoma of Oropharynx a couple of months after taking of the policy by him i.e., on 03.02.2009. But the facts relating his taking of medical consultation at cancer Institute for the above health condition were not disclosed in the proposal form . The Complainant has come forward with a different version at the time of hearing stating that the proposal form was submitted on 24.11.2008 by which time the LA was not suffering from the disease. She stated that on 25.11.2008 her husband suffered from high fever for which he was taken to SCB Medical College on 26.11.2008 . The photo copy of the proposal form would show that the proposal was signed by the LA on 01.12.2008 which was a date subsequent to taking of medical consultation by the LA. in the Cancer Institute. So the contention of the complainant that the proposal was given on 24.11.2008 cannot be accepted. Besides the above medical papers, the OP has also filed the notarized statement of the complainant made before the Notary Public, Khandapada on the Non-Judicial Paper worth Rs 50/- wherein the complainant stated that the treatment of the LA started from 12.01.2008. The material facts having being suppressed, the complainant is not entitled to death claim. Hence, it is ordered that the complaint being without any merit is hereby dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 21-002-1556 Death Claim
Smt Tarulata Naik Vs S.B.I Life Ins. Co. Ltd.
Date of Order 07.03.2013

Fact: The complaint is filed for repudiation of death-claim. The husband of the complainant had taken on his own life from the Opposite Party-Insurer its S.B.I Life Smart Performer policy for sum assured of Rs.3,00,000/- with single-mode deposit of premium of Rs.60,000/-. The policy commenced operating from 4.02.2011. All on a sudden the LA fell ill and was admitted to Samaleswari Hospital, Jharsuguda on 23.12.2011 when also he died. Being the nominee of her husband under the policy, she lodged the death-claim for Rs.3,00,000/-. But the O.P credited only a sum of Rs.53,238/- representing the Fund Value of policy. Her death claim was rejected on the ground that the LA did not disclose material fact regarding his health in the proposal at the time of signing the contract of insurance. She filed the complaint to secure payment of the death-claim on the policy.

The O.P. stated that during the investigation made into the claim, it was found that the DLA was a known case of Diabetes Mellitus which he did not disclose in the proposal form. The Discharge Bill and the Pathological Reports all of the year 2004 of Vesaj Patel Hospital & Research Centre, Rourkela and the LA's neighbour statement and the Affidavit of the son of the DLA established that several years prior to taking of the policy, the DLA was suffering from Diabetes. But, this health condition was not disclosed in the proposal. For such suppression of material fact death claim was repudiated and in terms of Clause no.13.6.4. Fund Value of Rs.53,238/- was paid to the nominee-of the DLA.

Award: The Affidavit of the person who is no other than, the son of the LA, 3-4 years before his death the LA was suffering from Diabetes and other documents clearly bring out that the LA was diabetic prior to his death and in the year 2004 fasting blood-sugar tests made in him on more occasions than one. As per the version of the son of the LA himself, death of the LA having occurred on 23.12.2011, the suffering of the LA from Diabetes began from sometime from the year 2007 or 2008. As already noticed the proposal for the policy was made by the LA on 15.02.2011 i.e. in the same year during which his death had occurred. It would be evident from the proposal form that under item No 15 where information relating to the sufferings, hospitalisation, medical treatment and investigation etc., past and current are required to be furnished, in relation to Question No 15(xiv), the LA had denied about his suffering, treatment, and undergoing of any investigation for Diabetes. But as per above documents LA's suffering from Diabetes was there prior to the date of proposal. But this fact was not disclosed by the LA for taking the policy. There cannot be any scope for doubt that non-disclosure of this fact amounts to suppression of material fact in the proposal which was submitted with a Declaration that true and complete statement of facts had been made in the proposal form by the declarant after fully understanding the questions contained therein. When suppression of material fact is made by one party to the contract, the other party which is the insurer is entitled to deny fulfillment of its part of obligation under the policy. Therefore, the action of the OP in repudiating the death-claim does not call for any interference. Thus, the complainant is not entitled to the death claim under the policy. Hence the complaint was dismissed.

Bhubaneswar Ombudsman Centre

Complaint No. 21-004-1561 Death Claim

Smt Sailabala Sahoo Vs ICICI Pru Life Ins. Co. Ltd.

Date of Award 05.03.2013

Fact: The complaint is filed for repudiation of death-claim.

The Complainant stated that her husband Late Sudarshan Sahoo during his life time had taken a Life Stage Assure policy of insurance bearing no. 11994074 for Sum Assured of Rs.1,20,000/- with half yearly premium @ Rs.6,000/- from the O.P. -Insurer. The policy commenced from 06.06.2009. The Life Assured died on 23.01.2011 and being the nominee, she lodged the death-claim with the O.P. which repudiated the claim. She represented to the O.P.'s Grievance Redressal Committee for reconsideration of her claim. As she did not get any response, she filed the complaint.

The O.P. stated that on examination of the claim documents, it was found that the LA was a known case of Diabetes Mellitus and was diagnosed in July 2008 to have Adeno-carcinoma of Stomach. The Admission Summary of Satayu Hospital & Diabetic Research Centre, Bhubaneswar dated 14.07.2008 clearly established that the LA was a known Diabetic for last 7 years and that the biopsy test held on 5.7.2008 revealed Adeno-carcinoma in him. But the LA deliberately concealed material information regarding his health in the proposal form and misled the Company to accept the proposal . As such the claim of the Complainant was repudiated.

Award: At the time of hearing, the Complainant submitted that her husband was hale and hearty at the time of taking the policy. On behalf of the O.P., the medical paper of Satayu Hospital and Diabetes Centre has been filed. The fact of the disease of Adeno-carcinoma being diagnosed on 05.07.2008 in the patient Sudarshan Sahoo has been clearly mentioned in the medical paper of above Hospital. But the complainant did not state anything regarding the above tests and diagnosis. Not a word is stated by her either refuting the fact of suffering of the LA or about his being referred to the oncologist for any investigation or treatment. She does not raise any dispute on the genuineness of this document. It would bear repetition that the LA took medical consultation at Satayu Hospital and Diabetes Research Centre, Bhubaneswar on 14.07.2008 vide Regn. No. 14529. He underwent 3 biopsy tests and the last biopsy test held on 05.07.2008. It revealed in him the disease of Adeno-carcinoma which term is explained in Stedman's Medical Dictionary as a 'malignant neoplasm of a epithelial cells in glandular or gland like pattern'. As noted, the Proposal for the policy was filed by the LA on 04.06.2009 i.e almost 11 months after the disease of cancer was diagnosed in him in the hospital. But, the LA denied his ever being referred to an Oncologist or cancer hospital for investigation or treatment. Obviously, the above medical facts were suppressed. There cannot be any dispute that particulars sought under item no. 23 of the Proposal Form were all material for underwriting purposes. But the LA did not disclose the same. Obviously, there was deliberate suppression of material fact made by the LA for taking the policy. In such circumstances, repudiation of the death claim does not call for any interference. Hence the complaint is dismissed.

OFFICE OF THE OMBUDSMAN, CHANDIGARH

CASE NO. HDFC/594/Mumbai/Rohtak/22/11

In the matter of Anita Devi Vs HDFC Life Insurance Co. Ltd.

Order Dated: - 07.11.2012

Facts: - Smt.Anita Devi filed a complaint about a death claim of her

husband Late Shri Krishan Kumar, who expired on 15.04.2010 and had purchased a policy bearing number 11581308 on 28.01.2008, which was repudiated by the Company on non disclosure of material facts regarding health status of the deceased.

Findings: - The insurer in its reply clarified that during an investigation,

it was observed that deceased life assured had a history of hypertension and diabetes mellitus disease prior to policy issue date and was admitted in PGI, Rohtak. Hence,

repudiated the claim.

Decision: - Held that the Company's submission of suppression of material facts on the basis of mere history of disease is not a sufficient record to establish stringent conditions as per the Insurance Act, 1938. More over, the insurer has not produced any document prior to insurance to conclude that the DLA took treatment of hypertension /diabetes. In the

absence of conclusive evidence to establish prior disease, repudiation of death claim was not proper and Company is directed to settle the death claim.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. HDFC/760/Mumbai/Chandigarh/21/10

In the matter of Suman Sharma Vs HDFC Standard Life Ins. Co. Ltd.

Order Dated:-18.10.2012 Death Claim

FACTS: Smt. Suman Sharma filed a complaint that her husband late Shri Bal Bhushan Sharma purchased a policy bearing no. 00188388 in the year 2003. After, the death of her husband she submitted claim paper, but the company repudiated the claim on the grounds that health problem of life assured was not revealed in the proposal form

FINDINGS: The insurer clarified the position stating that life assured did not disclose information about his adverse health history. And he was suffering from heart problem in the year 1992 before taking the policy. Being concealment of material facts, the claim was rejected

DECISION: Held that contention of the insurer that the deceased had concealed material facts is not justified as the life was medically examined in detail by the company which included tread mill test. Denying claim on the basis of some ailment which reportedly happened about 11 years prior to taking policy is not justified.

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CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bharti/217/Mumbai/Patiala /21/11

In the matter of Smt. Sarbjit Kaur Vs Bharti AXA Life Ins. Co. Ltd.

Order Dated:-26.11.2012 Death Claim

FACTS: Smt. Sarbjit Kaur filed a complaint in this office intimating about nonpayment of death claim to her mother-in-law Late Smt. Joginder Kaur in r/o policy number 5002501483 for Rs. 5.00 Lacs sum assured. The insurance company repudiated the claim, being non disclosure of previous insurance details. So she approached this office for justice.

FINDINGS: The insurer clarified the position by stating that Smt. Joginder Kaur had not disclosed other company's insurance in the proposal form. Whereas she had already an insurance of Rs. 16,66,995/- with other insurance companies. Hence, the claim is not considered.

DECISION: Smt. Sarbjit Kaur had taken heavy insurance without any clearly discernible insurance interest and without any relation with the income which manifests adverse moral hazard. Non-disclosure of previous insurance is non disclosure of material fact. Thus claim repudiation is justified by the insurance company. The complaint is dismissed.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/098/Mumbai/Bilaspur/21/12

In the matter of Shashi Kumar Vs Reliance Life Insurance Company

Order Dated:-31.12.2012 Death Claim

FACTS: Shri Shashi Kumar filed a complaint about a nonpayment of death claim of his father Late Shri Balbir Singh under policies numbers 16376610 and 16376598. When his father died on 19.04.2010 he submitted claim papers but claim was not paid timely. He should be paid interest for delayed payment.

FINDINGS: The insurer clarified the position by stating that death claims due to early death claim within 2 months was not settled due to some requirements for which 3 reminders were sent. Finally payment was made for Rs. 7,50,000/- on 16.04.2011.

DECISION: Held that there inordinate delay in payment which reflects poorly on the working of the company. The company is advised to put in place an appropriate mechanism whereby finally timely decision on admissibility or otherwise of claim is taken.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Birla/1111/Mumbai/Fatehabad/21/11

In the matter of Ram Saran Vs Birla Sun Life Insurance Company

Order Dated:-23.01.2013 Death Claim

FACTS: Shri Ram Saran filed a complaint about a settlement of a death claim of his son Late Shri Laxman under a policy bearing number 002827041 dated 21.04.2009, who expired on 07.03.2010, which was repudiated by the company on suppression of material facts regarding health status of the Deceased.

FINDINGS: The insurer in its reply clarified that during an investigation, it was observed that the deceased Life Assured was suffering from "Osteomyelites" disease prior to the policy issue date and had undergone treatment at Jindal Institute of Medical Sciences, supported by laboratory reports from Nalwa Laboratories Private Limited. Hence, repudiated the claim.

DECISION: Held that the company's submission of suppression of material facts does not bear any significance merely on production of Laboratory reports prior to insurance and a admission/ discharge certificate issued by Jindal Institute of Medical Sciences after commencement of insurance. The verification of death certificate done by this office from the Registrar, Birth and Death, nothing adverse was pointed out to prove any relation between cause of death and the reported disease as per letter from Civil Surgeon, Fatehabad. Keeping aside the repudiation of claim by the insurer, the company is directed to settle the death claim.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/L010/016/12-13/Ghy

Md. Diluwar Hussain

- Vs -

Reliance Life Insurance Co Ltd.

Date of Order : 11.10.2012

Complainant : P form is received. From the letter of the complainant it is learnt that the father of complainant Late Md.Surhab Ali purchased a policy from Reliance life Insurance Company Ltd. bearing policy no.19003270 with Date of commencement 31.5.2011. for a Sum Assured of Rs. 95,500/-. But suddenly on 13.9.2011 the Life Assured expired. The nominee submitted claim papers to get the death claim benefit .But the Insurance company has rejected his claim on the plea that life assured has misled the Insurer by understating his age. They have paid only Rs.20.64. Being aggrieved, the complaint has been lodged.

Insurer : Self contained note has not been received. From the letter of the insurer dated 31.3.2012, it is found that claim against policy no.19003270 has been repudiated because the deceased Life Assured had understated his age at the time of procurement of proposal. It is detected by their investigation that the age of the Life Assured was 70 years at the time of taking the policy. If actual age would have been disclosed by the proposer, the policy would have not

been offered to him as the maximum age at entry of the concerned plan is 65 years. Therefore, as per policy condition, all the death benefits have been ceased.

Decision : After careful observation it is found that Surhab Ali, deceased Life Assured purchased a policy from Reliance Life Insurance Co. Ltd. bearing policy no.19003270 with the date of commencement on 31.5.2011 for a Sum Assured of Rs.95,500/-. He submitted an affidavit as a proof of age along with the proposal form as he was illiterate and had no other age proof. On the basis of that affidavit the proposal was accepted by the Insurance Company and issued the above policy. After the demise of the life assured on 13.9.2011 i.e. just after 3 months 12 days, claim papers were submitted by the claimant before the Insurer. The copy of Death Certificate also proves that Surhab Ali died on 13.02.2011. According to the Complainant, the Insurer sent a cheque bearing No. 238161 dated 31.03.2012 for Rs.20.64 to him. He further stated that he did not encash the cheque. Surprising thing is that on what basis the Insurer has settled the claim at Rs.20.64. It appears from the copy of repudiation letter dated 31.03.2012 that the Insurer repudiated the claim on the ground of the understatement of age. As per their Internal investigation, they have detected that the age of the proposer was 70 years at the time of procurement of the policy. To take a drastic decision like repudiation of a claim, the Insurer must prove by adducing documentary evidence that the Insured was above 70 years of age at the time of submitting the proposal. But, in the complaint in hand, the Insurer has failed to submit any documentary evidence in respect of the actual age that they found during investigation. It is not just and proper to take a concrete decision on somebody's say and without any evidence. It is therefore logical that as the proposal was accepted on the basis of affidavit, the settlement of claim should also be seen on that perspective.

Considering all the aspects as discussed above, I am of the view that the decision of the Insurer in repudiating the claim was not just and proper. The Insurer is liable to pay the entire claim amount as per terms and conditions of the policy. In the result, this complaint is allowed. Insurer is accordingly directed to settle the claim within 15 days allowing penal interest @ 8% P.A

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/010 /55/12-13/Ghy

Mr.Chhotan Poddar

- Vs -

Reliance Life Insurance Co. Ltd

Date of Order : 18.01.2013

Complainant: The Complainant stated that his father Late Pawan Kr. Poddar procured five policies from Reliance Life Insurance co.Ltd. out of which the Complainant Mr.Chhotan Poddar was the nominee of three policies bearing policy nos 14842757,14776341 & 15014788 with DOC 10.7.2009, 30.6.2009 and 22.8.2009 respectively. While the policies were in force, the Life Assured died on 18.7.2010 suddenly due to Head Injury .Being nominee she lodged a claim with the insurer and submitted claim form A&B and other related papers. But the insurance company had rejected the claim on the ground of non-disclosure and concealment of material facts. Being aggrieved with the decision of the insurer he has lodged this complaint against repudiation.

Insurer : The insurer has contended in their "Self Contained Note" that the policies were issued on the strength of data furnished in the proposal. The deceased life assured Mr.Pawan Kr.Poddar procured three policies bearing nos.14842757, 14776341and 15014788 with Doc 10.7.2009,30.6.2009 and 22.8.2009 respectively duly filled and signed the proposal form. After availing the policies ,the life assured died on July18,2010 i.e after the period of on and around one year from the date of issuance of the above stated policies. Subsequently ,after a period of four months the complainant lodged the death claim on 28.11.11 and submitted claim form A & B intimating that the death of the L.A was due to Head Injury.

The company then carried on detailed investigation on the death of the life assured and claim under the concerned policies. During investigation they found out that the deceased life assured was suffering from illness and was diagnosed with colon cancer with liver Mete-stage IV on January13,2009 at Indira Gandhi Institute of Medical Sciences Patna. The life assured was given the treatment with chemotherapy and was discharged on 17.1.2009.

Under this situation the insurance company had rejected the claim on the ground of non-disclosure and concealment of material facts i.e-pre-existing illness and treatment thereof of colon cancer. They have sent the Repudiation letter to the claimant.

Decision : It is stated by the Complainant that the Life Assured died on 18.7.2010. The copy of Death Certificate issued from Govt. of Bihar also discloses about the death of the Insured Pawan Kr. Poddar on 18.07.2010. The claimant Mr. Chhotan Poddar lodged a claim with the Insurer and submitted claim form A& B and other related papers stating the cause of death of the Life Assured as Head Injury. It is stated by the Complainant that the claim lodged by him was repudiated by the Insurer without any justified ground.

The representative of the Insurer stated that as the claim was very early, they had conducted discreet enquiry on the death of Life Assured and they found that the Life Assured was suffering from colon cancer with liver Mete-stage iv and he had undergone treatment at Indira Gandhi Institute Of Medical Sciences, Patna on 13.1.2009. The Life Assured was given chemotherapy and was released on 17.1.2009. The copy of Admission and Discharge record, Discharge summery and patient Progress reports evidencing the above ailment. But, the Life Assured did not disclose his ailments in proposal form. That the non-disclosure of diagnosis and treatment of colon cancer was material to the issuance of the policy and ought to have been disclosed in the proposal form. Thus the deceased proponent has misled the insurance company to grant him insurance cover on the terms as stated in the policy schedule. Due to suppression of material facts, the Insurer has repudiated the claim.

It is evident from the proposal forms that the Life Assured answered all the previous health related questions in the negative. That means at the time of filling in the proposal form the Life Assured was in good health and he was not suffering from any disease prior to commencement of the policy. The medical certificate discloses that the Insured Pawan Kr. Poddar was admitted in Indira Gandhi Institute of Medical Sciences, Sheikhpura, Patna on 13.01.2009 and was discharged on 17.01.2009. The patient was diagnosed with colon cancer with liver Mete-stage iv. It is ample clear from the said document that the Insured was suffering from Cancer prior to submission of the proposal form.

It is abundantly clear that the Insured suppressed particulars of his previous insurance policies which were quite material for consideration at the time of accepting the proposal. Therefore, the Insured was guilty of non disclosure of "Utmost Good Faith" violating the principle of contract of insurance. With the above observation, the complaint is treated as closed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/L002/90/12-13/Ghy

Mr.Dilip Kr.Paul

- Vs -

SBI Life Insurance Co.Ltd

Date of Order : 21.03.2013

Complainant : The Complainant stated that his wife Anjali Dutta procured a Super Suraksha Scheme bearing master policy no.82001361108 with DOC 15.9.1999 from the SBI Life Insurance Co. Ltd. while availing housing loan from SBI ,Dhubri Branch. The SBI recovered her annual premium from her account up to 17.2.2011. After that they have stopped deduction of premium without any information . In the mean time, Mrs Anjali Dutta died on 26.11.2011. Being the nominee under the policy, Mr.Dilip Kr.Paul lodged a claim before the insurer along with all necessary documents. But the Insurer has rejected her claim on the ground that the policy has already been withdrawn. Being aggrieved, he has lodged this complaint.

Insurer : It is stated by the insurer through their self contained note Mrs .Anjali Dutta Paul was an insured member under Master policy bearing no.82001361108 which was issued to SBI- Dhubri Branch. This is a Group Insurance Policy and in Group Insurance Policy ,the contract is made between the Master policy Holder and the Insurer and all the terms and conditions are binding on all the insured members and in Group Insurance Policy, No Individual policy is issued. The Group Insurance policy is one year renewable group term assurance policy (OYRGTA). Hence the renewal is not automatic and accordingly the concerned policy was supposed to be renewed on 18th February every year mutually decided by the Master Policy holder and the Insurer. The SBI Life Super Suraksha Group Insurance Scheme was withdrawn with effect from 01.04.2010. Hence the Master policy was not renewable after 1.4.2010 and risk cover for all the members covered under the policy expired on 17.2.2011 because the last premium due on 18.2.2010 under the master policy was received ie, before the withdrawal of the policy and therefore, risk cover was available only for one year as the premium was paid in advance. Thus the risk cover was available up to 17.2.2011 only The deceased ,Smt.Anjali Dutta Paul was reported to have died on 26.11.2011 and risk cover automatically expired on 17.2.2011 and so there was no risk cover on her life on the date of death. The Insurance company has therefore, repudiated the claim and copy of the repudiation letter has been sent to claimant.

Decision : According to the Complainant, the State Bank of India recovered premium from her account up to 17.02.2011. After that they have stopped to deduct the premium amount from the Bank Account. They did not informed anything to them the reason for non deduction of premium from the Bank Account. In the meantime, his wife died on 26.11.2011. Thereafter, he lodged a claim before the Insurer alongwith all supporting documents. But, the Insurer informed him that the claim was not payable as the product was withdrawn.

It appears from the "Self Contained Note" as well as from the statement of the representative of the Insurer that it was a group insurance policy and in a group insurance policy, the privities of the contract is between the Master policy holder and the Insurer and terms and conditions of the Master policy are binding on all the insured members and no individual policies are issued. The policy was effective from 18.2.2005 and annual renewal date is 18th February every year. The Group Insurance Policy is one year renewable group term assurance policy (OYRGTA). Hence renewal of the policy is not automatic and it should be mutually decided by the Mater Policy holder and the Insurance company and insured member has no locus to negotiate the contractual terms under the policy. Once the Master Policy is granted, the Individual insured members are just admitted to the benefits under the policy provided the policy is in force. The concerned policy is not renewed by the Master policy holder as the said policy was withdrawn with effect from 01.04.2010 and risk cover for all members covered under the Master policy no.82001361108 expired on 17.2.2011 because the last premium due on 18.2.2010 was received before the withdrawal of the policy and risk cover was available up to 17.2.2011. The deceased Smt.Anjali Dutta Paul was reported to have died on 26.11.2011 and risk cover was expired automatically on 17.2.2011, there was no risk cover available on her life on the date of death. In the instant case, the risk covered expired on 17.2.2011 as the product,SBI Life Super Suraksha itself was withdrawn and was not renewed thereafter and hence nothing is payable.

Under the above facts and circumstances, I am of the considered view that the Insurer has rightly rejected the death claim lodged by the Complainant. Finding no ground to interfere with the decision of the Insurer, the complaint is treated as closed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/L006/50/12-13/Ghy

Sri Tapan Talukdar

- Vs -

Birla Sun Life Insurance Co Ltd.

Date of Order : 27.12.2012

Complainant: The Complainant stated that his father Sanhari Talukdar procured Policy No.004031830 from the Birla Sun Life Insurance Co. Ltd. with the date of commencement on 28.3.2010 for a Sum Assured of Rs. 2,24,000/-. The life assured died on 21.11.2011. The nominee of the policy Mr. Tapan Talukdar made a claim to the Insurer Birla Sun Life Insurance Company Ltd. against the death of his father. But the Insurer has repudiated his claim for the reason that policy was lapsed at time of death of the Life Assured. They have paid Rs.2025.78 against fund value of the policy. The complainant has returned the cheque and clearly stated that his father had paid the said premium at Rangia branch on 07.04.2011. Because of some problems in computer system the COI was not properly uploaded. And hence status of the policy showed lapsed. For this LA is not at fault. Being aggrieved by the decision of the Insurer, the nominee has preferred to lodge complain.

Insurer : Self contained note from insurer has been received. As per their submission the policy holder was irregular in payment of renewal premium of Rs.5000/ which was due on 28.9.2010. One month grace period was given for revival of the policy. Accordingly the insurer had sent revival notice to the life assured along with certificate of insurability(COI). The deceased life assured had paid renewal premium of Rs.10001/on 7.4.2011. But he had not submitted the COI and as result policy could not be revived. However BSLI decided to refund the renewal premium of Rs.10001/ received on 7.4.2011 and a cheque for Rs.10001/ was issued to life assured vide ch.no.987930 on 9.7.2012 on the ground of amount paid post lapsation. Copy of the cheque is annexed as annexure-C. On 7.5.2012 BSLI has received a death intimation from the claimant regarding the death of the life assured on 21.11.2011(Annex- E). They have verified the records and noted that the policy stood lapsed since 28.9.2010. Though the deceased life assured made renewal premium on 7.4.2011 after elapse of 180 days and policy could not be revived due to non-receipt of other requirements. So the said claim was not admissible and hence repudiated. The BSLI has issued a cheque for Rs.2025.78 to the claimant towards policy fund value on 16.5.2012 bearing ch.no.461819.

Decision : The copy of Death Certificate issued by the Registrar, Birth & Death, Tihu C.H.C. (F.R.U.) shows that the Insured Sanhari Talukdar died on 21.11.2011. It is stated by Complainant in his statement that the claim lodged by him was repudiated by the Insurer without any justified ground. The representative of the Insurer has stated that the Deceased Life Assured was not regular in paying premium. The policy was in lapsed condition for non payment of premium. The Insured paid renewal premium for 9/2010 and 3/2011 on 7.4.2011 for Rs.10,001/-. As the policy was in lapsed condition before the date of death of the Insured, they refunded the renewal premium of Rs.10,001/- to the Insured. But, it is stated by the Complainant that as per Guwahati Branch the COI could not upload due to system failure and as such the policy was not revived. But, there is no evidence of submitting COI for up loading and there is no record of informing the said problem to Insurance Company. Moreover, premia have been paid 180 days after the date of lapsation though grace period was allowed only for 30 days. Naturally Insurance Company did not revive the policy and status of the policy stood lapsed and hence Insurance Company has repudiated the claim as per policy contract. However, Insurance Company has refunded the unadjusted premium as the amount received after the due date and they have issued a cheque bearing no.461819 on 16.5.2012 for Rs.10,001/-. They also issued a cheque for Rs.2025.78 to the claimant towards fund value of policy.

Under the above facts and circumstances, I am of the considered view that the Insurer has rightly repudiated the claim of the Complainant as per terms and conditions of the policy as the policy was in lapsed condition due to non payment of premium. Finding no ground to interfere with the decision of the Insurer, the complaint is treated as closed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No.

Mrs.Amina Khatun Laskar

- Vs -

Bajaj Allianz Life Insurance Co. Ltd.

Date of Order : 13.03.2013

Complainant : Mr.Sunam Uddin Laskar ,deceased life assured, procured a policy from bajaj allianz bearing no.0219052310 with DOC 28.5.2011 for S.A 100000. While the policy was in force, life assured died on 29.7.2011. Mrs Amina Khatun Laskar ,being the nominee under the stated policy lodged a claim before the insurer with all supporting documents . But the insurer has repudiated the claim without any justified ground. Being aggrieved, she preferred to lodge this complaint.

Insurer : It is stated by the insurer through their self contained note policy no.0219052310 was issued to Sunam uddin Laskar from Bajaj Allianz with DOC 28.5.2011 for a sum assured of Rs.100000.00.The insurer has received death intimation from the complainant that the insured Sunam Uddin had expired on 29.7.2011 within a period of 62 days only from the date of DOC. As the claim is very early, they made an investigation regarding death and claim . During investigation it was revealed that DLA had submitted a fake school leaving certificate as age proof at the time of submission of proposal. The DLA has deliberately misrepresented the case and therefore ,the claim has been repudiated. Annexure A,B, are the copies of repudiation letters. Annexure.C is copy of investigation report. Annexure D is the voter list and annexure -F is the copy of school certificate submitted along with the proposal.

Decision : According to the Complainant, while the policy was in force the Life Assured died on 27.7.2011 due to sudden onset of disease like stomach pain and vomiting. Accordingly the nominee of the policy, Smt.Amina Khatun Laskar made a claim to the Insurer and submitted all necessary papers as per rule. But Insurance Company has repudiated the claim on the ground of submission of fake age proof at the time of submitting the proposal.

The representative of the Insurer stated that they received the death claim intimation from the Complainant under Policy No. 0219052310 stating that the Insured Sunam Uddin Laskar died on 29.07.2011 within a period of 62 days. As it was a very early claim, they investigated the matter and they found that the DLA had submitted fake age proof viz. School Leaving Certificate resulting into misrepresentation of facts in the proposal form at the issuance stage. They have repudiated the claim on the ground of suppression of material facts. In support of his contention, he produced the copy of fake School Certificates as Annexures – F & G.

I now observe that proposal on the life of Mr.Sunam Uddin Laskar was accepted by the Insurance Company on 28.5.2011 after receiving duly filled proposal form and other essential documents like age proof and other KYC Norms etc. Mr.Suman Uddin Laskar submitted a School Leaving Certificate as age proof issued by the Dy. Inspector of School signed by the Headmaster, Kachudaram L. P. School on 16.5.2011 and copy of the certificate is duly attested by the Principal R.D.Roy H.S.School, Kachudaram . On the basis of this certificate age was calculated as 46 years and premium was charged accordingly by the insurer and after getting full premium policy was issued to the Life assured vide policy no.0219052310. If the policy continued for full term, insurer would have paid maturity value or if the claim would have been a non-early claim ,Insurance company would have to settle death claim without investigation. In these cases the “so called fake age proof” would not hinder the insurer to take decision. As the said age proof has been honoured for accepting the proposal and collecting premium, that certificate should be honoured in case of settlement of death claim. Therefore ,the decision of the Insurer to repudiate the claim can not be said just and proper.

The Insurer was accordingly directed to settle the claim of the Complainant along with penal interest @ 8% on the settled amount within 15 days from the date of receipt of this Award.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/L009/033/12-13/Ghy

Mrs. Anamika Choudhury

- Vs -

Bajaj Allianz Life Insurance Co Ltd

Date of Order : 12.10.2012

Complainant: The Complainant stated that her husband Pankaj Kr. Choudhury procured Policy No. 00186132463 from the above Insurer with the date of commencement on 01/10/2010 for a Sum Assured of Rs. 10,00,000/-. While the policy was in force, the Insured died on 01/06/2011. The death Claim was repudiated by the Insurer on medical ground. The company, however, paid Rs. 1,16,585/- being Fund Value of the policy vide cheque no 1762 dated 03/10/11. The complainant was not satisfied, with the decision, returned the cheque on 03/04/12 and lodged the complaint.

Insurer : Self contained note from insurer has been received. As per their submission the L/A was suffering from HTN for last 10 years and was under treatment. This fact was within his knowledge and he suppressed it in the proposal form. Hence they repudiated the claim. However, they sent a cheque for Rs.1,16,585.00 being the Fund Value, but the Complainant returned the same.

Decision : It appears that the Insurer repudiated the claim mainly on the ground that the DLA was suffering from Hypertension for last 10 years as recorded on 11.04.2011. But he did not mention all these facts in the proposal form. To prove this fact, the Insurer has relied upon a ITU Admission Notes issued from AMRI Hospital, Kolkata dated 11.04.2011. I have carefully gone through the Admission Notes from AMRI Hospital, Kolkata wherein it is mentioned that the Insured Mr. Pankaj Kr. Choudhury was a known case of HTN X > 10 years. It also appears that this Admission Notes was issued after the commencement of the policy not prior to inception of the policy. Except this Admission Notes, the Insurer has failed to submit any other documents in relation to Life Assured regarding treatment details from any Doctor before the date of proposal. If the DLA was suffering from Hypertension for last 10 years, the burden is evidently upon the Insurer to prove by adducing documentary evidences regarding treatment details that the Insured was suffering from such type of diseases prior to taking up the policy. But the Insurer has failed to

discharge the burden cast upon them. Mere mention in a prescription that too after death of the Life Assured without proving any document of treatment details of the Insured before date of proposal is not at all sufficient for taking a drastic action like repudiation of the claim.

Considering all the aspects of the matter as discussed above, I have absolutely no hesitation to hold that the decision of the Insurer repudiating the claim is not based on justified ground. That being the position, the complaint is allowed. The Complainant is entitled to get the entire death claim amount. Insurer is accordingly directed to settle the claim within 15 days allowing penal interest @ 8% P.A. on the settled amount.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/L12 /56/12-13/Ghy

Smt. Malti Devi

- Vs -

Met Life Insurance Co. Ltd

Date of Order : 18.01.2013

Complainant: The Complainant stated that her brother Late Pawan Kr. Poddar procured policy No. 20358213 from Met Life Insurance Co.Ltd. with the date of commencement on 02.06.2010. While the policy was in force, the Life Assured died on 18.7.2010 suddenly due to Head Injury. Being nominee she lodged a claim with the insurer and submitted claim form A&B and other related papers. But the insurance company had rejected the claim on the ground of non-disclosure and concealment of material facts. Being aggrieved with the decision of the insurer she has lodged this complaint against repudiation.

Insurer : The insurer has contended in their "Self Contained Note" that the policy was issued on the strength of data furnished in the proposal. The deceased life assured Mr.Pawan Kr.Poddar procured one policy bearing no.20358213 with the date of commencement on 02.06.2010 for a Sum Assured of Rs. 5.00 Lac duly filled and signed the proposal form. After availing the policies ,the life assured died on July18,2010 i.e after the period of on and around one and half months from the date of issuance of the above stated policies. Subsequently complainant lodged the

death claim and submitted claim form A & B intimating that the death of the L.A was due to Head Injury in an accident and died at 8.pm at Begusarai Hospital.

As the claim was very early the company then carried on detailed investigation on the death of the life assured and claim under the concerned policies. During investigation they found out that the deceased life assured was suffering from illness and was diagnosed with CA Colon on January13,2009 at Indira Gandhi Institute of Medical Sciences Patna. The life assured was given the treatment with chemotherapy and was discharged on 17.1.2009. Copy of medical certificate is enclosed as annexure A. Moreover, the L.A did not disclose of the existence of other previous policies with different insurance companies like Reliance, The IDBI Federal ,Sahara life, and the Tata AIG in the proposal form as revealed during investigation. In annexure- C death certificate, the date of death of the L.A. has been mentioned as 2.6.2009 i.e. before the date of proposal. In another death certificate (annexure-III),the date of death has been mentioned as 18.7.2010.

Under this situation the insurance company had rejected the claim on the ground of non-disclosure and concealment of material facts i.e-pre-existing illness and treatment thereof of colon cancer and details of previous insurance. They have sent the Repudiation letter to the claimant vide their claim decision letter dated 13.7.2011.

Decision : It is stated by the Complainant that the Life Assured died on 18.7.2010. The copy of Death Certificate issued from Govt. of Bihar also discloses about the death of the Insured Pawan Kr. Poddar on 18.07.2010. The claimant Smt. Malti Devi lodged a claim with the Insurer and submitted claim form A& B and other related papers stating the cause of death of the Life Assured as Head Injury. According to the Complainant, the claim lodged by her was repudiated by the Insurer without any justified ground.

The representative of the Insurer stated that as the claim was very early, they had conducted discreet enquiry on the death of Life Assured and they found that the Life Assured was suffering from colon cancer with liver Mete-stage iv and he had undergone treatment at Indira Gandhi Institute Of Medical Sciences, Patna on 13.1.2009. The Life Assured was given chemotherapy and was released on 17.1.2009. The copy of Admission and Discharge record, Discharge summery and patient Progress reports evidencing the above ailment. But, the Life Assured did not disclose his ailments in proposal form. That the non-disclosure of diagnosis and treatment of colon cancer was material to the issuance of the policy and ought to have been disclosed in the proposal form. Thus the deceased proponent has misled the insurance company to grant him insurance cover on the terms as stated in the policy schedule. Due to suppression of material facts, the Insurer has repudiated the claim.

The Insurer has produced the copy of proposal form before this Authority which is marked as Annexure – B. It is evident from the Annexure – B that the Life Assured answered all the

previous health related questions in the negative. That means at the time of filling in the proposal form the Life Assured was in good health and he was not suffering from any disease prior to commencement of the policy. The Insurer has also produced a copy of medical certificates before this Authority which is marked as Annexure – A. The Annexure – A discloses that the Insured Pawan Kr. Poddar was admitted in Indira Gandhi Institute of Medical Sciences, Sheikhpura, Patna on 13.01.2009 and was discharged on 17.01.2009. The patient was diagnosed with colon cancer with liver Metastasis. It is ample clear from the said document that the Insured was suffering from Cancer prior to submission of the proposal form.

It is abundantly clear that the Insured suppressed particulars of his previous insurance policies which were quite material for consideration at the time of accepting the proposal. Therefore, the Insured was guilty of non disclosure of “Utmost Good Faith” violating the principle of contract of insurance. With the above observation, the complaint is treated as closed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/L10/42/12-13/Ghy

Mrs.Rohima Khatun

- Vs -

Reliance Life Insurance Co Ltd

Date of Order : 22.11.2012

Complainant : The Complainant stated that her husband Sahor Ali procured Policy No : 19532738 from the Reliance Life Insurance Co. Ltd. with the date of commencement on 30.11.2011 for a Sum Assured of Rs. 1,15,000/-. It is stated that during the policy coverage period, the Insured expired on 18.01.2012. The Complainant, being the nominee under the policy, lodged a claim before the Insurer along with all supporting documents. But the claim was repudiated with the reason ‘Non-disclosure of past illness by L/A’. However the Complainant contends that the policy holder Md.Sahor Ali had not suffer any illness before commencement of the policy. He fell sick due to viral and seasonal fever that might be suffered by any human being. The attending physician diagnosed his cause of death as “C.V.A”. Insurance Company’s allegation his sufferings from “Leukoplakia” before taking the policies is not based

on facts and on the basis of that reason, repudiation of claim is not just and proper. So, being aggrieved, the complaint has been lodged.

Insurer : Self contained note has been received. The SCN submitted by the insurer reveals that the deceased Md.Sohar had availed Reliance Life Insurance Guaranteed Money Back Plan bearing policy no. 19532738 with DOC 30.11.2011 for S.A Rs..115000.00 under Yly mode with a premium of Rs.14014.00. He had submitted the proposal form (annexure A) which was duly filled by the LA understanding the terms and condition of the policy.

The deceased died on 18.01.2012 and the claimant had lodge claim on 18.02.2012 and submitted claim form A &B mentioning the cause of death as "C.V.A" . (Copy of the claim form A&B submitted as annexure B). As the claim is very early, the company had made an investigation and they found that the life assured was suffering from 'Leukoplakia "from 4.10.2010 and further diagnosed for Right Tonsil Inflamed on October 7,2010 at AI-Salam Hospital. The copy of the Investigator,s Report and Opinion of the Chief Medical Officer is enclosed as annexure C and C2).

On the basis of the investigation conducted by the company, they repudiated the claim on the ground of non-disclosure and concealment of material facts ie pre-existing illness and treatment.

Decision : After verification of all records submitted by the Complainant and Insurance Company, I find that deceased Md. Sohar Ali availed insurance policy from Reliance Life Insurance Company Ltd. bearing policy nos. 19532738 with date of commencement on 30.11.2011 under Yearly mode with premium of Rs.14014.00 . Suddenly the Life Assured expired on 18.01.2012 due to 'Pressure Strock(C.V.A)'. The claimant made the claim with the Insurance Company on 18.2.2012 with all required papers including claim form A, claim form B etc. But the Insurance Company had rejected the claim on the ground of concealment of material fact. The Insurance company had conducted an investigation in this regard and they found that the deceased L.A. was suffering from "Leukoplakia from 4.10.2010 and also suffered from "Right Tonsil Inflamed tender" from 7.10.20110 and this state of health was not informed to the insurance company at the time taking the policy. Naturally he had violated the principle of "utmost good faith". In view of the above facts, The Insurance Company has repudiated the claim.

It reveals from the above facts and evidences, I have observed that the Deceased Life Assured Md.Sohar Ali was suffering from Leukoplakia from 04.10.2010 before taking the proposal. It is evident from the prescription dated 04.10.2010 of Dr. Atowar Rahman Mollah, MBBS, MD who diagnosed and referred the case to Dr. Chakraborty, ENT specialist of AI-Salam Hospital Goalpara. Dr. Chakraborty treated the patient on 07.10.2010 and detected that the patient was having problems of burning sensation of mouth, weakness, loss of appetite, pain in abdomen, tongue papillary, and tonsil. And this state of health was not informed before taking the policy. It

discloses from the copy of proposal form submitted by the Insured on 30.10.2012 before the Insurer for availing the policy that question Nos. 29 & 31 of the proposal form wherein the Proposer was asked about his past illnesses, but the Proposer answered both the questions in the negative. Thus he has violated the principle of "utmost good faith".

Considering all the above aspects of the matter in its entirety, I have no hesitation to hold that the decision of the Insurer repudiating the claim is based on justified ground and is not called for any interference from this Authority. In the result, this complaint is dismissed.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/010/48/12-13/Ghy

Mrs.Sabiya Begum

- Vs -

Reliance Life Insurance Co Ltd

Date of Order : 29.11.2012

Complainant : The Complainant stated that her husband Mr. Shirajuddin procured Policy No 18815605 / 18816409 with the date of commencement on 31.3.2011 for a Sum Assured of Rs. 2,06,650.00. While the policy was in force, the Insured died on 30.7.2011. The Complainant, being the nominee under the policy, submitted death claim before the Insurer along with all supporting documents. But the claim was repudiated with the reason 'Non-disclosure of past illness by L/A'. However the complainant contends that the policy holder Md.Shiraj uddin had not suffered from any illness before. He suddenly fell sick just one hour before death and the attending physician diagnosed his cause of death as "Myocardial Infarction". Insurance Company's allegation that he was suffering from heart disease before taking the policies is not based on facts and on the basis of that reason repudiation of claim is not just and proper. So being aggrieved the complaint has been lodged.

Insurer : Self contained note has been received. The SCN submitted by the insurer reveals that the deceased Shirajuddin had availed Reliance Life Money Multiplier Plan bearing policy nos.18815605/18816409 with DOC 31.3.2011 for S.A Rs..2,06,650.00 under Hly. mode with a premium of Rs.12345.86 each. They have submitted the proposal form (annexure A) which was duly filled by the LA understanding the terms and condition of the policy.

The deceased died on 30.7.2011 and the claimant had lodged claim on 27.10.2011 and submitted claim form A & B mentioning the cause of death as "Massive Myocardial Infarction" . (Copy of the claim form A&B submitted as annexure B). As the claim is very early, the company had made an investigation and they found that the life assured was suffering from 'acute jaundice with myocardial infarction' from February,20,2010 as per the diagnosis of Dr.Hasmat Ali,SMO,Kalgachia hospital.(annexure C).

On the basis of the investigation conducted by the company, they repudiated the claim on the ground of non-disclosure and concealment of material facts ie pre-existing illness and treatment.

Decision : It is stated by the Complainant that suddenly the L.A Expired on 30.7.2011 due to 'massive myocardial infarction'.The claimant made the claim with the Insurance company on 27.10.2011 with all required papers including claim form A,Claim form 4(A), claim form B etc. But the Insurance company had rejected the claim on the ground of concealment of material fact. The Insurance company had conducted an investigation in this regard and they found that the deceased L.A. was suffering from "Acute Jaundice with Myocardial Infarction "since 20.2.2010 and this state of health was not informed to the insurance company at the time taking the policy. Naturally he had violated the principle of "utmost good faith". In view of the above facts they were constrained to repudiate claim under policy numbers mentioned above.

From the above facts and evidences, it is observed that the claimant had submitted claim including claim form A,B. (1) In the claim form B duly submitted by Dr.Hashmat Ali, Sr.M &H.O. Barpeta civil Hospital,Kalgachia,who attended the deceased L.A Shirajuddin before death ,clearly stated on 4.10.2011 that the deceased first diagnosed on 30.7.2011 at 10 AM and he was suffering from "Massive myocardial infarction" for" one hour" before death. And case was referred to FAAMC, Barpet (Refer prescription of Dr.Hashmat Ali dated 30.7.2011).(2) Again in another claim form B submitted by the Insurance Company, the said medical attendant Dr.Hashmat Ali Sr.M &H.O. has stated on 14.11.2011 that the deceased Shirajuddin was suffering from "Acute Jaundice with myocardial infarction" and it was first diagnosed on 20.02.2010.i.e. before taking of the policy. Now question comes how one medical attendant can submit claim form B two times with two different dates giving two contradictory dates regarding first diagnosis of disease. On the basis of this claim form B dated 14.11.11 claim has been repudiated. But insurance company has failed to submit any documentary evidence in support of their claim form B to prove that the DLA was suffering from "Acute Jaundice with Myocardial Infarction" since 20.02.2010. It is clear that the Medical Certificate was issued on 14.11.2011 after death of the Life Assured. In that certificate, it is mentioned that the Life Assured was suffering from "Acute Jaundice with myocardial infarction" since 20.02.2010. To substantiate this plea, the Insurer must prove by adducing cogent evidence like prescription, treatment particulars, any medical certificate pertaining to pre-proposal stage. The Insurer has failed to submit such reports before the date of filling in the proposal form to show that the DLA had such type of diseases prior taking up the policy. Mere mention in a certificate after the death of the DLA that he had

such type of diseases is not sufficient proof to repudiate the claim of the Complainant. The Insurer has totally failed to discharge their burden cast upon them. They have failed to furnish any treatment documents of the DLA prior to taking up the policy. That apart, in the claim form B submitted by the Complainant, the same Doctor Hasmat Ali mentioned the date of first diagnosis of the disease "Myocardial Infarction of the DLA as 30.07.2011.

Considering all the aspects of the matter, I have no hesitation to hold that the decision of repudiation of the claim by the Insurer is not justified. In the result, this complaint is allowed. Insurer is accordingly directed to settle the claim within 15 days allowing penal interest @ 8% P.A. on the settled amount.

GUWAHATI OMBUDSMAN CENTRE

Complaint No. 21/L010/069/12-13/Ghy

Smt.Sunita Gaur

- Vs -

Reliance LifeInsuranceCo.Ltd

Date of Order : 27.02.2013

Complainant : The deceased Life Assured Pradip Kr.Gaur procured a policy bearing no.17915492 with DOC 13.9.2010 for S.A 462520.00.While the policy was in force the L.A had expired on 21.1.2011 due to CVA. Smt. Sumita Gaur ,nominee of the policy made a claim to the insurance company and submitted all necessary papers. But Insurer has repudiated her claim for the reason that the L.A was suffering from illness before issuance of the policy. Being aggrieved she has lodged this complaint.

Insurer : It is stated by the insurer through their self contained note that deceased L.A Pradip Kr.Gour procured a policy bearing no.17915492 with DOC-13.9.2010. The L.A died on 21.1.2011 ie. Within 130 days from the date of issuance of the policy. As the claim was very early, the company had conducted an enquiry regarding death and found that the LA was suffering from Viral Hepatitis and pneumonial Choletithiasis on May,2009 at Nightingale Hospital & Research Centre, silchar. The Life Assured was further diagnosed and admitted for alcoholic liver disease with Hepatic Cirrhosis with Hepato cellular Failure on June,2009 at Kothari Medical Centre,Kolkata. The

copy Discharge certificate dated May,29, and June 17,2009,Investigation Report and an affidavit of the investigator evidencing the above are enclosed as annexures.The Insurance company has ,therefore, repudiated the claim on the ground of non-disclosure and concealment of material facts ie. Pre-existing illness and treatment thereof for Alcoholic Liver Disease since 2009.The copy of the repudiation letter has already been sent to the claimant.

Decision : The Life Assured died on 21.1.2011 due to Cerebro-Vascular Accident (CVA) Stroke as per the statement of Dr.S.Nath, MBBS,MS,DCCP, Barak Diagnostic Centre and the patient was treated from 21.1.2011 for sudden severe Hypertension and advised for various medical Tests. But on that day ,the patient died. The claimant smt.Sunita Gour made a claim with the insurance company and submitted all necessary forms including Claim Form A,B etc. But Insurance company has rejected the claim on the ground of concealment of Pre-existing illness. As the claim was very early ,the insurance company made an enquiry regarding death and claim and detected that the deceased life assured was suffering from various ailments like viral hepatitis and pneumonial choletithiasis from 25th May,2009 and admitted to Nightingale Hospital and Research Centre, Silchar. Again the life assured was diagnosed and admitted for Alcoholic Liver Disease with hepatic Cirrhosis with hepato cellular failure on June 02,2009 at Kothari Medical centre ,Kolkata. Medical reports, Discharge certificate etc. in support of the investigation are enclosed herewith.

It is therefore, ample clear that deceased life assured was suffering from different illness before taking the policy and it was not disclosed at the time of taking the policy. So the decision of the Insurer to repudiate the claim can not be treated as unjust and improper.

It is abundantly clear that the Insured suppressed particulars of his previous insurance policies which were quite material for consideration at the time of accepting the proposal. Therefore, the Insured was guilty of non disclosure of "Utmost Good Faith" violating the principle of contract of insurance. With the above observation, the complaint is treated as closed.

PROCEEDINGS OF THE INSURANCE OMBUDSMAN, HYDERABAD (Under Rule 16 of The Redressal of Public Grievances Rules, 1998) COMPLAINT No. I.O.(HYD) L-21-009-456/2012-13		
1	Name & address of the complainant	Mr. P. Bhaskar 1-1-770/2, Flat No. 6, Carnation Apartment SBI Colony, Gandhi Nagar HYDERABAD – 500 080
2	Policy Nos.	00 98609204
3	Name of the insured	Smt. P. Sunitha
4	Name of the insurer	Bajaj Allianz Life Insurance Co. Ltd.
5	a) Date of receipt of the Complaint	24.8.2012
	b) Date of issue of proforma PII & PIII	29.8.2012
	c) Date of rt. of proforma PII&III	04.9.2012
	d) Date of rt. of self contained note	14.9.2012
6	Nature of complaint	Repudiation of death claim
7	Amount of relief sought	Rs. 79,697/-
8	Date of hearing/Place	28.9.2012 at Hyderabad
9	Representation at the hearing	
	a) For the complainant	Self
	b) For the insurer	Mr. Y. Mallikarjun, DM-Ops
10	Complaint how disposed	Dismissed
11	Date of Order/Award	1.10.2012

AWARD NO. I.O. (HYD) L-58/2012-13

Mr. P. Bhaskar took an insurance policy on his wife for a sum assured of Rs. 1,00,000/- from Bajaj Allianz Life Insurance Company Ltd. commencing the risk from 14.5.2008. This was revived on 23.11.2011. The life assured died on 15.1.2012. He, being the husband of life assured and nominee

under the policy, applied to the insurer for settlement of the death claim. The insurer repudiated the claim stating that the deceased life assured did not disclose the material facts of her health in the declaration of good health at the time of revival. Aggrieved, he filed this complaint for settlement of the claim.

The complaint fell within the scope of the Redressal of Public Grievance Rules, 1998 and so it was registered.

ORDER

I have heard the contentions of both the parties and perused carefully the documents submitted in support of their contentions.

It is observed that the claim of the complainant was repudiated on the ground of suppression of material facts. The deceased life assured was suffering from 'Carcinoma right buccal mucose' and underwent right resection with PMMC Flap Reconstruction on 2.2.2011. She was subsequently hospitalized for chemotherapy and radiotherapy. By suppressing the said information, she revived the policy by deliberately giving a false declaration of health. The argument of the complainant that the agent of the insurer advised him to revive the policy in spite of her illness, and that he did not know what he had stated in the declaration of good health cannot be any help to the claimant.

The contract of insurance is one of 'utmost good faith' and both parties to the contract shall disclose all facts, whether material or not, in full, to the other. Since the life assured did not disclose her correct status of health in her personal statement at the time of revival, the insurer cannot be made liable to pay the sum assured.

In the light of the evidence on record, I uphold repudiation of the claim by the insurance company . In the result, the compliant is dismissed without any relief.

PROCEEDINGS OF		
THE INSURANCE OMBUDSMAN, HYDERABAD		
(Under Rule 16 of The Redressal of Public Grievances Rules, 1998)		
COMPLAINT No. I.O.(HYD) L-21-005-406/2012-13		
1	Name & address of the complainant	Mrs. Chapala Mangamma W/o Ch. Venkanna Kagitharamachandrapuram Nadigudem Mandal NALGONDA - 508 234
2	Policy Nos.	13238949
3	Name of the insured	Mr. Chapala Venkanna
4	Name of the insurer	HDFC Standard Life Insurance Co. Ltd.
5	a) Date of receipt of the Complaint	09.8.2012
	b) Date of issue of proforma PII & PIII	14.8.2012
	c) Date of rt. of proforma PII&III	11.9.2012
	d) Date of rt. of self contained note	12.9.2012
6	Nature of complaint	Repudiation of death claim
7	Amount of relief sought	Rs. 1,20,000/-
8	Date of hearing/Place	28.9.2012 at Hyderabad
9	Representation at the hearing	
	a) For the complainant	M.Venkateswarlu, Brother
	b) For the insurer	Mr. Y.Bhupathy, Associate Manager
10	Complaint how disposed	Allowed
11	Date of Order/Award	1.10.2012

AWARD NO. I.O. (HYD) L-59/2012-13

Mr. Chapala Venkanna took an insurance policy on his own life for a sum assured of Rs. 1,20,000/- from HDFC Standrad Life Insurance Company Ltd. effective from 14.11.2009. He died on 18.2.2011. Mrs. Ch. Mangamma, wife of deceased life assured and nominee under the said policy, applied to the insurer for settlement of the death claim. The insurer repudiated the claim stating that the deceased life assured suppressed material facts relating to his occupation and

income in the proposal for insurance. Aggrieved, she filed this complaint seeking settlement of the claim.

The complaint fell within the scope of the Redressal of Public Grievance Rules, 1998 and so it was registered.

ORDER

I have heard the contentions of both the parties and perused carefully the documents submitted in support of their contentions.

It is observed that the claim of the complainant was repudiated on the ground of suppression of material facts. The annual income stated on the Ration Card of the deceased life assured was Rs. 14,000/-. But this was issued in the year 2006 while the policy was issued in November 2009. There was a considerable time gap from the date of issue of ration card and the policy. Also, the life assured was a 'shepherd' as stated by the complainant.

In the proposal form, it has been stated that the proposer was an agricultural labourer. The insurer contends that he was only a 'coolie' and not an agricultural labourer. 'Coolie' is the vernacular word for agricultural labourer. So, there is no mis-statement on this account. The moot point is whether an agricultural labourer could have annual income of Rs.2,00,000/-. The answer is 'no' in Indian context. The insurer accepted such a paradox while issuing the policy. Now when the policy is due for a claim, the insurer cannot extricate itself from the said paradox.

It is also seen that the sum assured under the policy was Rs. 1,20,000/- only and the age of the assured was 43 years. There would not have been any hurdle for issue of the policy even if the annual income was as stated on the ration card.

In view of the aforesaid, I hold that the repudiation action of the insurer was not justified. Therefore, I direct the insurer to settle the claim of the complainant as per the policy conditions.

In the result, the complainant is allowed.

**PROCEEDINGS OF
THE INSURANCE OMBUDSMAN, HYDERABAD
(Under Rule 16 of The Redressal of Public Grievances Rules,1998)**

COMPLAINT No. I.O.(HYD) L-21-001-462-2012-13

1	Name & address of the complaint	Mrs. Pannem Kameswari C/o Pannem Subba Rao Near Chamundeswari Temple Old Kasipalem Buchireddypalem Vill & Mdl. S.P.S.R., NELLORE Dist.
2	Policy No.	842825682
3	Name of the insured	Mr. P. Prabhakar
4	Name of the insurer	L.I.C. of India, Nellore
5	a) Date of receipt of the Complaint	27.8.2012
	b) Date of issue of proforma PII & PIII	29.8.2012
	c) Date of rt. Of proforma PII & PIII	12.9.2012
	d) Date of rt. Of self contained note	12.9.2012
6	Nature of complaint	Repudiation of death claim
7	Amount of relief sought	Rs. 1,00,000/- with Bonus
8	Date of hearing/Place	28.9.2012 at Hyderabad
9	Representation at the hearing	
	a) For the complainant	Mr. P. Rajesh, Son
	b) For the insurer	Mr. A.V. Sarma, A.O.
10	Complaint how disposed	Dismissed
11	Date of Order/Award	1.10.2012

AWARD NO. I.O. (HYD) L – 60 / 2012-13

Mr. Pannem Prabhakar obtained an insurance policy on his own life for a sum assured of Rs. 100,000/- from L.I.C. of India commencing the risk from 28.03.2006. He died on 01.12.2008. His wife, Mrs. P. Kameswari @ Kameswaramma, requested the insurer for settlement of death claim under the policy. The insurer repudiated the death claim stating that the deceased life assured suppressed material facts in his personal statement at the time of reviving the said policy. She preferred an appeal against the decision of repudiation to the claims review committee of the insurer. The said committee upheld the earlier decision. Aggrieved, she preferred this complaint requesting for settlement of the claim.

The complaint fell within the scope of the Redressal of Public Grievance Rules, 1998 and so it was registered.

ORDER

I have heard the contentions of both the parties and perused carefully the documents submitted in support of their contentions.

It is observed that the claim of the complainant was repudiated for suppression of material facts. The deceased life assured was suffering from long standing diabetic nephropathy. It is evident from the record of Aravind Kidney Centre, Nellore that the life assured was a patient of 'chronic kidney disease – end stage renal disease' and he revived the policy by deliberately giving a false declaration of health. The argument of the complainant that prior to revival of the policy the deceased life assured did not undergo any treatment is not believable.

The contract of insurance is one of 'utmost good faith' and both parties to the contract shall disclose all facts, whether material or not, in full, to the other. Since the life assured did not disclose his correct status of health in his personal statement at the time of revival, the insurer cannot be made liable to pay the sum assured.

In the light of the evidence on record, I uphold repudiation of the claim by the insurance company.

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

PROCEEDINGS OF THE INSURANCE OMBUDSMAN, HYDERABAD (Under Rule 16 of The Redressal of Public Grievances Rules, 1998) COMPLAINT No. I.O.(HYD) L-21-009-438/2012-13		
1	Name & address of the complainant	Smt. Kyatam Ailamma Kothapalli Village Post: Bagirtipet, Mdl: Regonda Dist. Warangal – 506 345
2	Policy Nos.	0 217296924
3	Name of the insured	Mr. K. Odelu
4	Name of the insurer	Bajaj Allianz Life Insurance Co. Ltd.
5	a) Date of receipt of the Complaint	17.8.2012
	b) Date of issue of proforma PII & PIII	21.8.2012
	c) Date of rt. of proforma PII&III	11.9.2012
	d) Date of rt. of self contained note	06.09.2012
6	Nature of complaint	Repudiation of death claim
7	Amount of relief sought	Rs. 1,38,000/-
8	Date of hearing/Place	28.9.2012 at Hyderabad
9	Representation at the hearing	
	a) For the complainant	Self & Mr. K.Ailayah, Son
	b) For the insurer	Mr. Y. Mallikarjun, DM-Ops
10	Complaint how disposed	Allowed
11	Date of Order/Award	3.10.2012

AWARD NO. I.O. (HYD) L-61/2012-13

Sri Kyatham Odelu took an insurance policy on his own life from Bajaj Allianz Life Insurance Company Ltd. for a base sum assured of Rs. 1,38,000/- commencing the risk from 9.5.2011. He died on 22.2.2012. Mrs. K. Ailamma, wife of the deceased life assured and nominee under the policy, applied to the insurer for settlement of death claim. Her claim was repudiated by the insurer under non-disclosure of material information by the deceased life assured. She preferred a representation to the claims review committee of the insurer but it was not considered favourably. Aggrieved, she filed this complaint seeking settlement of the claim.

The complaint fell within the scope of the Redressal of Public Grievance Rules, 1998 and so it was registered.

ORDER

I have heard the contentions of both the parties and perused the reports/documents submitted.

The complainant preferred claim with the insurer after the demise of her husband. The insurer repudiated the death claim stating citing non-disclosure of material facts in the proposal form. The insurer has produced documentary evidence to show that he had taken treatment in MGM hospital before inception of the policy.

The argument of the complainant is that the life assured just signed on the application of insurance without knowing its contents. I have carefully examined the proposal form. It is in English and has been filled up in English language. The proposal form mentions that the proposer's preferred language was Telugu. Despite this statement, it is seen that he could hardly affix his signature. The manner of his signature suggests that he could not have written anything beyond his signature even in Telugu. The proposal contains a declaration. For vernacular declaration, the requirement in the proposal is that the declarant in his own hand writing should declare that the replies were given by him after properly understanding the questions and the declaration. This statement is crucial while analyzing the validity of the proposal. On a careful examination of the proposal form, it is seen that the declaration that the replies were given after properly understanding the questions, etc. is written in Telugu but it is definitely not in the hand writing of the proposer. It is obviously written by the someone else who is facile at writing.

The question, therefore, is whether the deceased life assured could be accused of a misdeclaration or false statement when he did not know what was written as replies in the proposal form. The answer to this is a clear 'NO'. That being the case, it would be incorrect to state that the deceased life assured concealed a material fact while proposing for the insurance.

In view of the foregoing, I reckon that this is a case where the deceased life assured has to be allowed benefit of doubt. Accordingly, I direct the insurer to admit the claim and pay the benefit under the policy to the nominee forthwith.

In the result, the complaint is allowed.

PROCEEDINGS OF		
THE INSURANCE OMBUDSMAN, HYDERABAD		
(Under Rule 16 of The Redressal of Public Grievances Rules, 1998)		
COMPLAINT No. I.O.(HYD) L-21-006-367/2012-13		
1	Name & address of the complainant	Mr. K.M. Puttaswamy # 115, Kudaragundi Village Gejjalagere Post Kasaba Hobli, Maddur Tq. MANDHYA DISTRICT, Karnataka
2	Policy Nos.	00 5284257
3	Name of the insured	Mr. Mariyappa K.C.
4	Name of the insurer	Birla Sun Life Insurance Co. Ltd.
5	a) Date of receipt of the Complaint	27.7.2012
	b) Date of issue of proforma PII & PIII	31.7.2012
	c) Date of rt. of proforma PII&III	11.9.2012
	d) Date of rt. of self contained note	27.8.2012
6	Nature of complaint	Rejection of death claim
7	Amount of relief sought	Rs. 3,44,300/-
8	Date of hearing/Place	28.9.2012 at Hyderabad
9	Representation at the hearing	
	a) For the complainant	Self
	b) For the insurer	Mr. C. Janakiram, Zonal Compliance
10	Complaint how disposed	Dismissed
11	Date of Order/Award	3.10.2012

AWARD NO. I.O. (HYD) L-62/ 2012-13

Sri K.C. Mariappa took an insurance policy on his own life for a sum assured of Rs. 3,44,300/- from Birla Sun Life Insurance Company Ltd. effective from 24.12.2011. He died on 28.12.2011 due to 'massive heart attack'. Mr. K.M. Puttaswamy, son of the life assured and nominee under the policy, applied to the insurer for settlement of the death claim. The insurer sent a letter stating that the

deceased life assured understated his age in his application for insurance. They repudiated the claim citing concealment of material facts. Aggrieved, he filed this complaint requesting for settlement of the claim.

The complaint fell within the scope of the Redressal of Public Grievance Rules, 1998 and so it was registered. **ORDER**

I have heard the contentions of both the parties and perused the reports/documents submitted.

The insurer repudiated the death claim citing non-disclosure of material facts in the proposal form. The insurer has indisputable proof to show that the deceased life assured had taken treatment in a hospital before inception of the policy. This was not disclosed in the proposal. This amounted to non-disclosure of material facts. This vitiated the contract.

A policy of insurance is a contract between the parties thereto and the terms of the contract bind either party in equal measure. The terms of the policy have to be strictly construed. The insurance contract is one of 'utmost good faith' and both parties to the contract shall disclose all facts, whether material or not, in full, to the other. The deceased life assured had transgressed this principle. In view of the above, I hold that the insurer rightly repudiated the claim.

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

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PROCEEDINGS OF		
THE INSURANCE OMBUDSMAN, HYDERABAD		
(Under Rule 16 of The Redressal of Public Grievances Rules, 1998)		
COMPLAINT No. I.O.(HYD) L-21-006-371/2012-13		
1	Name & address of the complainant	Mr. T.Srinivasa Rao M Jagannadhapuram Yelamanchili (Tq) Atchuthapuram (Mdl) VISAKHAPATNAM – 531 055
2	Policy Nos.	00 5470639
3	Name of the insured	Mr. Tiparna Ramu
4	Name of the insurer	Birla Sun Life Insurance Co. Ltd.
5	a) Date of receipt of the Complaint	30.7.2012
	b) Date of issue of proforma PII & PIII	31.7.2012
	c) Date of rt. of proforma PII&III	10.8.2012
	d) Date of rt. of self contained note	31.8.2012
6	Nature of complaint	Repudiation of death claim
7	Amount of relief sought	Rs. 7,00,000/-
8	Date of hearing/Place	24.9.2012 at Hyderabad
9	Representation at the hearing	
	a) For the complainant	Self
	b) For the insurer	Mr. C. Janakiram, Zonal Compliance Officer
10	Complaint how disposed	Allowed
11	Date of Order/Award	3.10.2012

AWARD NO. I.O. (HYD) L-63/2012-13

Mr. Tiparna Ramu took an insurance policy on his own life for a sum assured of Rs. 7,00,000/- from Birla Sun Life Insurance Company Ltd. effective from 31.3.2012. He died on 16.4.2012. His son, Mr. T. Srinivasa Rao, being nominee under the policy, applied for settlement of death claim from the insurance company. The insurance company repudiated the claim stating

that the death certificate submitted to them was a fake document and it was a fraudulent claim. Aggrieved, he filed this complaint.

The complaint fell within the scope of the Redressal of Public Grievance Rules, 1998 and so it was registered.

ORDER

I have heard the contentions of both the parties and perused the reports/documents submitted.

The insurer repudiated the claim on the grounds of fake death certificate. A wrong serial number mentioned on the death certificate submitted to the insurer aroused doubts about the genuineness of the death certificate. It appears that the complainant has since approached the panchayath secretary seeking clarification on the discrepancy in the serial number at which the death was registered and obtained a fresh death certificate showing the correct serial number. He has also obtained a separate letter from the said authority stating the said facts. The clarification and declaratory statements given by the village panchayath secretary prove the genuineness of the death certificate.

The insurer has not reported any other reasons/grounds for repudiating the claim.

The insurer's representative, however, stated that they may be allowed to verify the genuineness of the documents now produced. This is conceded.

In view of the aforesaid reasons, I hold that the complainant's claim merits consideration by the insurer. Therefore, I direct the insurer to settle the claim of the complainant in terms of the policy contract, subject to the insurer being satisfied that the death certificate produced after correction is genuine. In the result, the complaint is allowed with the above direction.

HYDERABAD OMBUDSMAN CENTRE

Dated the 27th day of March 2013

COMPLAINT NO- I.O.(HYD) L-21-001-620/ 2012-13

Between:-

Mrs. S. Jhansi Lakshmi

W/o late S.V. Seshi Reddy

Pernamitta (V & PO), S.N.Padu Mdl.

PRAKASAM DIST. Complainant

Vs.

Life Insurance Corporation of India

Nellore Division Opposite Party

For the Complainant Herself

For the Opposite Party Sri N. Shankar Naik, Manager (Claims)

Date of Registration: 31.10.2012

Date of Hearing: 14.3.2013

Date of Award: 27.03.2013

Complaint U/R 12(1) (b) of RPG Rules, 1998

AWARD No. I.O. (HYD) L-064/2012-13

1. This is a Complaint filed by the Complainant seeking settlement of her death-claims under two policies of insurance of her husband which have been repudiated by the Opposite Party-Insurer.

2. It is stated by the Complainant that her husband late Mr. S.V. Seshi Reddy took two life insurance policies bearing policies nos. 842083671 & 842083672 on his own life for sums assured of Rs. 50,000/- and Rs. 75,000/- respectively from LIC of India, on 18.3.2008. The Life Assured died on 18.5.2010. Being wife as well as the nominee of the Deceased Life Assured under the policies, she applied to the insurance company for settlement of death-claims under the said policies. But, the insurer repudiated her claims raising the ground that the monthly premiums under the policies for the period from 1/2009 to 6/2009 i.e., for 6 months, were not received from his Employer for which policies went into lapsed conditions whereby nothing was payable to her on the policies. Against rejection of her claims, she represented to the Claims Review Committee of the insurer, but in vain. It is the further version of the Complainant that the Deceased Life Assured had taken 9 policies with payment of premium of all policies under Salary Saving Scheme mode and that the Employer of her deceased husband made payments of the premiums in respect of all the 9 insurance policies taken by her husband to the Insurer and that of the claims lodged under nine above policies, seven claims have been settled without any objection being raised by the OP. Whereas in respect of 2 of the above mentioned policy claims are repudiated on the ground that the policies were in lapsed conditions for default in payment of the premiums which problem did not occur in respect of 7 other policies whereunder premiums were collected under similar SSS mode. With these contentions, she has sought for the relief of settlement of the death-claims under two policies in her favour.

3. In the Self Contained Note, it is stated by the Opposite Party that in relation to above two policies, premiums were not received for the period from 1/2009 to 6/2009, i.e., 6 months, and for non-payment of the premiums within the grace period the policies went into lapsed condition. Since premiums under the policies were not received from the Employer of the policy-holder, correspondence was made with the Employer of the Deceased Life Assured regarding non-receipt of premiums. The Employer of the Policy-holder vide its letter dated 9.9.2010 intimated that at the request of the Deceased Life Assured, who sought for stoppage of recovery, the premiums for the insurance policies for the period from 01/2009 to 06/2009 were not recovered. It is further stated that as per its claims settlement norms, Ex-gratia payment in respect of policy where the insured

had opted for the Salary Savings Scheme mode for payment of premiums is not to be considered when gaps in payment of premium occur for reason of 'premiums being not recovered at the request of the employee'. As in respect of two above policies, premium recoveries were not made at the request of the employee, the claim could not be considered under Ex-gratia basis also.

4. At the hearing, it was submitted by the complainant that the premiums under the two policies of her husband Late S.V. Seshi Reddy, taken from LIC of India on 18.3.2008, for sums assured of Rs.50,000/- & 75,000/- respectively, were used to be deducted from his salary. Her husband died on 18.5.2010 whereupon she submitted the death claims to the OP which rejected her claims assigning the reason that the policies were in lapsed status due to default in payment of the premiums from January 2009 to June 2009. She obtained the copy of the pay slip of her deceased husband for the month of April' 2010 which reflected that the premiums for both the policies were recovered from his salary. After rejection of claim, she represented to the insurer, enclosing a copy of the last pay slip of her husband for April 2010. Yet, her claim was not settled. But now the OP has offered to settle her claim for basic sum assured only for which she has no objection. As such she requested for disposal of the complaint by an award according to the terms of the offer made to her by the insurer.

5. On the other hand, the representative of the OP submitted that the claims filed by the complainant/nominee of the DLA were rejected on the ground that there were gap premiums for a period of six months under each policy and both policies were in lapsed condition. But on receiving the representation of the complainant they re-examined the matter and decided to settle the claims for the basic sum assured. The complainant has agreed to their offer also for full and final settlement of the claims without the LIC having any liability under the policies in future. As such, requested for disposal of the complaint in terms of their agreement. 5. After careful perusal of the Complaint, the SCN & the documents as filed by the parties and after hearing the parties, it is evident that the death claims filed by the complainant were repudiated by the OP on the ground that there were gap premiums for the period of six months i.e., from 1/2009 to 6/2009 under each policy in consequence whereof the policies ran into lapsed condition. All the same, upon subsequent representation made by complainant to the OP, in course of the hearing it is offered by the OP to settle the claims for basic sum assured only under both the policies towards full and final settlement of the claims subject to the condition that the LIC would have no further liability under the policies in future. The complainant agrees to the offer for full and final settlement her claims under both the policies with having no further claim against the OP in future in relation to the above two policies. Since parties have sorted out their problem by a mutually

acceptable solution arrived at the hearing, the grievance as raised by the complainant gets redressed. Hence, it is ordered

ORDER

That the complaint is allowed in terms of the understanding the parties have come to. Accordingly, the OP-insurer is directed to settle the death-claims of the complainant for the basic sums assured under both the policies. Upon settlement of claims pursuant to this order the complainant would have no right to any further claim under the policies in future against the OP-Insurer.

Let the copy of this "Award" be sent to both parties by Regd. Post.

For implementation of this Award, the Complainant shall have to communicate through a letter of acceptance to the Opposite Party within a month from the date of receipt of the copy of this Award, clearly stating that the Award is in full and final settlement of his claim where-after the Opposite Party shall comply the Award within 15 days from the date of receipt of above letter of acceptance, under intimation to this forum.

BEFORE THE INSURANCE OMBUDSMAN, HYDERABAD

Dated the 28th Day of March, 2013

COMPLAINT NO- I.O.(HYD)L21-001-397/ 2012-13

Between:-

Mr. Mamidi Sreenu

S/o late M. Adinarayana

Relli Colony, Near RTC Bus Depo

TUNI – 533 401, East Godavari. Complainant

Vs.

L.I.C. of India, Rajahmundry Opposite Party

For the Complainant Himself

For the Opposite Party Sri V. Gopala krishna, A.O (Claims)

Date of Registration: 08.8.2012

Date of Hearing: 14.3.2012

Date of Award: 28.3.2013

Complaint U/R 12(1) (b) of RPG Rules, 1998

AWARD No. I.O. (HYD) L-065/2012-13

1. This is a Complaint filed by the Complainant seeking settlement of his death-claim under the policy taken by his father, which has been repudiated by the Insurer, the Opposite Party herein.

2. It is stated by the Complainant that his father Mr. Adinarayana (LA hereinafter) took the insurance policy from LIC of India, Policy No. 804835432 on his own life for sum assured of Rs. 50,000/-, commencing from 22.3.2010. The LA died on 31.8.2011 due to heart attack. Being nominee of the deceased life assured, he applied to the Insurer-OP for settlement of death-claim under the said policy in his favour. But the OP-Insurer rejected his claim on the ground that the deceased life assured took the policy by understating his age in the Proposal filed by him to take the policy. Being aggrieved by rejection of his claim, he has filed this complaint seeking the relief of settlement of the death-claim in his favour.

3. In the Self Contained Note filed by the Opposite Party, it is stated that the policy taken by the LA was under non-medical category and that the LA died within 2 years of the commencement of the policy. Since the death-claim was an early claim, enquiry into the matter was held. The enquiry brought out that there was understatement of age at least by 6 years of the deceased Life Assured in his proposal, he secured the policy. The deceased Life Assured submitted a Self-Declaration with regard to his age along with his Proposal stating that he was aged 49 years, whereas as per the Ration Card and Aadhar Card, his age was 55 years at the time of submission of his Proposal. Further, as per the Ration Card of 2006, the eldest son of the LA was aged 32 years. The LA mentioned his age in 2010 as 49 years. Thus, in 2006, his age would be 45 years when the age of his eldest son was 32 years. The age of the son makes the age of the father unnatural. In the photograph appearing in the Aadhar Card, it is stated that the deceased life assured appears quite old looking as a person of above 55 years in age then. As per the policy plan, persons above 50 years in age were not eligible for the said policy. As by understating his age the LA took the policy, death-claim of the complainant was rightly repudiated for suppression of material fact as regards his age by the deceased life assured. With these contentions, the OP asks for dismissal of the complaint.

4. At hearing, the submission made by the complainant is that is father late M. Adinarayana (DLA) had taken the policy from the LIC of India three years back and he paid premium of around Rs.4,000/- per year. The DLA had filed the copy of Ration Card & some other papers in support of his

age. One and half-years after taking the policy, LA died due to chest pain. At the time of death the LA was aged about 49 years only. The LA did not report wrong age for taking the policy. As the nominee under the policy, he filed the claim with the insurer for settlement of death claim in his favour. But the insurer wrongly rejected his claim on the ground of age. On the other hand, the OP's representative Mr. V. Gopalakrishna submitted that on receipt of death-claim, investigation was made. The policy taken by the LA was under Table No.91 (New Jana Raksha plan) whereunder a person up to the age of 50 years only can take the said plan. Upon investigation it was found that by making a self declaration with regard to his age, the LA had taken the policy. As per the underwriting norm, when the Proposer happened to be less than 50 years in age and the premium amount was less than Rs.10,000/- per annum, self-declaration by the Proposer was accepted as the proof of age. Since the LA mentioned his age as 49 years in the self-declaration of his age, the same was accepted with regard to his age. But in course of investigation, the Ration Card and Aadhar card copies were collected in respect of the LA and both the documents showed the age of the policy holder at the time of taking policy were above 50 years. As the LA reported his age as 49 years in his self declaration, the policy was issued. Had LA declared his correct age, as reflected in the Aadhar card, the company would not have issued the policy. As the policy was taken by understatement of age, the death claim was rightly rejected.

5. Upon careful perusal of the documents on record and on consideration of the submissions of the parties made at oral hearing, it is plain that on the basis of the self-declaration made with regard to his age in the Proposal wherein other particulars were furnished by the DLA, the policy was issued by the OP-Insurer in favour of the DLA. The death-claim of the Complainant has been denied by the OP for stating incorrect age by the DLA in his Proposal where he had stated his age as 49 years. It is beyond dispute that the New Janaraksha policy taken by DLA was not meant for person above 50 years in age. The Proposal for the policy which commenced from 22.03.2010 was given by the DLA on 22.3.2010. As already noticed, in the Proposal the LA had stated his age as 49 years. But the Household Card of the DLA reflects that in the year 2005 age of the DLA was 50 years. As per this document, the age of the DLA in 2010 when Proposal was submitted by him would compute at 55 years. This document supports the version of the OP that when in the year 2010 Proposal was filed by the LA, his age was 55 years which age was much beyond the maximum eligibility age for taking the policy in question and thus incorrect age was stated by the DLA by reducing his age to obtain the policy. But the copy of AADHAAR card, which has been filed on behalf of the OP, would show that the year of birth of the LA was 1961. Necessarily therefore, the age of the LA in the year 2010 would work out to 49 years, the age which the LA had stated in the Proposal. If this document would be

taken as the basis, it would follow that no understatement of age was made by the LA for taking the policy. The position which emerges now is that one document i.e., Household Card supports the contention of the OP and other document i.e., AADHAAR card, lends full support to the version of the Complainant. The question now is which one of the two documents is to be preferred to resolve the controversy. It may be taken note of that in the AADHAAR card, the year of birth of the LA has been mentioned whereas in the Household Card age in terms of years is noted. It is well-known that for the purpose of the Household Card/Ration card adulthood or otherwise of the person not his exact age is material. An AADHAAR card is prepared under the scheme of Government of India and it carries much weight and significance for entire India whereas Household card has limited applicability. In these premises, I would prefer to rely on the AADHAAR card. When this document is accepted, it would follow that the age stated by the LA in the Proposal was not incorrect and there was no understatement of age made by him for taking the policy. Opinion as regards age of a person cannot be formed on the basis of the appearance in the photograph. Facts mentioned in the AADHAAR card cannot stand belied merely on the basis of the age of the son of the DLA as noted in the Ration Card. In view of the conclusion reached as above, the LA was found aged 49 years when he took the policy. Thus, the LA had not exceeded the maximum eligibility age when he took the policy. Therefore, OP's decision in repudiating the claim of the Complainant on the ground that incorrect age was stated to take the policy cannot be sustained. Since no other ground is taken by the OP against the death-claim of the Complainant, the latter is entitled to the death-claim under the policy. Hence, it is ordered that

ORDER

that the complaint is allowed. The OP is directed to settle the death- claim of the complainant in terms of the policy conditions treating that there was no understatement of age made by the DLA for taking the policy. Let the copy of this "Award" be sent to both parties by Regd. Post. For implementation of this Award, the Complainant shall have to communicate through a letter of acceptance to the Opposite Party within a month from the date of receipt of the copy of this Award, clearly stating that the Award is in full and final settlement of his claim where-after the Opposite Party shall comply the Award within 15 days from the date of receipt of above letter of acceptance, under intimation to this forum.

BEFORE THE INSURANCE OMBUDSMAN, HYDERABAD

Dated the 28th day of March, 2013

COMPLAINT NO- I.O.(HYD) L-21-010-474/ 2012-13

Between:-

Mr. J. Jaya Rao

Village Obbapuram

Mandal Donakonda

Prakasham Dist. – 523 305

..... Complainant

Vs.

Reliance Life Insurance Co. Ltd.

..... Opposite Party

For the Complainant

.... Himself

For the Opposite Party

.... Sri SVSSP Sastry, B.S.M.

Date of Registration: 18.9.2012

Date of Hearing: 14.3.2013

Date of Award: 28.3.2013

Complaint U/R 12(1) (b) of RPG Rules, 1998

AWARD No. I.O. (HYD) L-066/2012-13

1. This is a Complaint filed by the Complainant seeking settlement of death claim under his mother's insurance policy which was repudiated by the Opposite Party-Insurer.

2. It is stated by the Complainant that his mother late Mrs. Jonnalagadda Achamma (hereinafter referred to as 'DLA') took 2(two) life insurance policies bearing Nos. 17951054 and 18279202 from Reliance Life Insurance Company Ltd., (the OP herein), on 15.11.2010 for sum assured of Rs. 2,60,000/- and on 15.12.2010 for sum assured of Rs. 2,90,000/- respectively. The DLA died on 7.2.2012 due to 'heart attack'. Being nominee under both the policies he applied to the OP for settlement of death claims. But the OP repudiated the claims stating that the DLA had obtained the said policies by understating her actual age at the time of issue of the policies. It is stated by the Complainant that at the time of issue of the policies his mother was aged 60 years only as per the Voter Identity card issued to her in the year 2010 and the Mandal Revenue Officer Certificate and that she did not make any understatement regarding her age. Thus being aggrieved by rejection of his claims, he has filed this complaint seeking relief of settlement of the claims in his favour.

3. In the Self Contained Note, it is stated by the O P that the DLA died after 1 year & 2 months from the date of issue of 2nd policy. Being an early claim, investigation was made into the claim and it was found that

as per the Online Voters' list of 2012 year, her age was 71+ years. But by grossly understating her age as 61 years, the policy was taken. The maximum age of entry for the said policies was 65 years and had she disclosed her actual age at the time of her proposals, it would not have accepted the risk under the policies. Hence, on the ground of non-disclosure and concealment of material facts, in her proposals for insurance regarding the age, the death claims of the complainant were repudiated.

4. At the hearing, the submission made by the complainant is that the DLA took three insurance policies from OP, one in the year 2009 and the other two on 15.11.2010 & 15.12.2010 respectively, for a sum assured of Rs.2,60,000/- and Rs.2,90,000/- respectively. Due to Heart attack she died on 7.2.2012. Subsequent to her death, separate death claims in all the three policies were filed. The earliest of the three policies which were taken in the year 2009, the claim was settled. In respect of two other policies which were of the year 2010 and had run for less than two years, the claims were repudiated as upon investigation it was found that there was understatement of age made by the DLA in her proposals while taking the policies. In support of her age, she had filed an affidavit and had

submitted a copy of the voter ID card also where her date of birth was noted as 16.8.1949. Hence, there was no suppression of age in the proposals and that the OP has wrongly disallowed his claims which he was entitled to. In turn, OP's representative submitted that on receipt of the death claims from the complainant, investigation was made. It thereupon came to light that the correct age was not reported by the DLA in her proposals. The print out taken from the online voter list of the year 2012 reflected that the age of the insured was mentioned as 71+ years, whereas the age given in the proposals was 61 years. As per this document, when the policies were taken in the year 2010, age of the DLA was more than 65 years. Since the maximum age at entry was 65 years under the policies, had she furnished her correct age, the policies would not have been issued. As there was gross understatement as regards age was made by the DLA, the claims were repudiated.

5. From the contentions from the parties as above, it is evident that solely on the aspect of age of the DLA, death claims of the complainant have been denied by the O.P. It is the contention of the OP that correct age was not stated by the DLA at the time of taking the policies under which the maximum age of entry was 65 years. But as per the on-line Voter list of the year 2012 the age of the DLA was 71+. As such, in 2010 when policies were taken by the DLA, her age was above 65 years and that her (DLA's) statement that she was then 61 years in age thus amounts to concealment of material facts made for taking the policies. The correctness of the above fact is seriously disputed by the complainant who in support of his contention produced the Original Voter Card No. AXQ0551366 issued to the DLA by the Election Commission of India on 7.8.2010. In fact a Xerox copy of the same document was furnished to the OP, along with her proposals for insurance, wherein the date of birth of the DLA has been mentioned as 16.8.1949. He has also furnished a copy of the Proper Person Certificate dated 6.10.1996, issued by Mandal Revenue Officer, Donakonda, wherein the age of DLA Mrs. Jonnalagadda Achamma was stated as 48 years. Both the documents show that the age of DLA was between 61 to 62 years in the year 2010 when the two policies were taken by the DLA. If it be so, there was no understatement of age made by the DLA when the policies were taken by her. The material is sought to be dislodged by the OP on the strength of the Xerox copy of the print out taken from the online voter list of the year 2012 from the Web site of the office of the Chief Electoral Officer, A.P., for the District Prakasham and Assembly Constituency-Darsi, wherein the age of the DLA is mentioned as 73 years. There is nothing on record to show that the above print-out has been correctly taken. On the contrary, the original Voter Identity Card issued on 7.8.2010 records the date of birth of the DLA as 16.08.1949. Under what circumstances the age of the same person became 71+ years in the so-called on-line voter list remains unexplained particularly when the same photo identity card number has been reflected therein. Age given in the proposals was in conformity with the Voter

Identity Card which the DLA filed with her proposal. It is to be noted that the OP has already settled the death claim of the complainant under the policy no.75201150 of DLA, which was taken a year before the two policies in question, i.e., in 2009. The complainant submitted copy of the same Voter ID in proof of her age which was accepted by the OP.

Accepting the said age proof for settling the claim under one policy, and rejecting claim under other two policies, is not proper on the part the OP-insurer. More so, the document on which the OP made reliance, while repudiating the claims under the said policies, itself is weak evidence which does not possess any evidentiary value. On the other hand, the evidence placed by the complainant is more reliable and also authentic for the purpose of acceptance of her age. When this document is relied, the contention of the OP that there was non-disclosure of actual age by the LA who thereby made material suppression of fact as regards age falls to the ground. Repudiation of the claims being made by the OP solely on the above basis therefore cannot be sustained. The Complainant is thus entitled to the death-claims under the afore-mentioned two policies. Hence, it is ordered

ORDER

that the complaint is allowed. The OP is directed to settle the death- claims of the complainant in terms the two policies Nos. 17951054 and 18279202 treating that there was no understatement of age made by the DLA for taking the policies.

Let the copy of this "Award" be sent to both parties by Regd. Post.

For implementation of this Award, the Complainant shall have to communicate through a letter of acceptance to the Opposite Party within a month from the date of receipt of the copy of this Award, clearly stating that the Award is in full and final settlement of his claim where-

after the Opposite Party shall comply the Award within 15 days from the date of receipt of above letter of acceptance, under intimation to this forum.

BEFORE THE INSURANCE OMBUDSMAN, HYDERABAD

Dated the 28th Day of March, 2013

COMPLAINT NO- I.O.(HYD) L-21-001-497/ 2012-13

Between:-

Mrs. Ch. Muthyalamma,

W/o late Chukka Yerakaiah,

Post: Badampudi, Via: Ungutur,

Dist: West Godavari – 534 411 Complainant

Vs.

L.I.C. of India

Rajahmundry Divisional Office Opposite Party

For the Complainant Himself

For the Opposite Party Sri V Gopala Krishna, AO, DO, Rjmdry.

Date of Registration: 27.9.2012

Date of Hearing: 14.3.2013

Date of Award: 28.03.2013

Complaint U/R 12(1) (b) of RPG Rules, 1998

AWARD No. I.O. (HYD) L-067/2012-13

1. This is a Complaint filed by the Complainant seeking settlement of death claim under the policy taken by her husband late Ch. Yerakaiah, which has been repudiated by the LIC of India, the Opposite Party herein.

2. It is stated by the Complainant that her husband Chukka Yerakaiah (the 'DLA' hereinafter) had taken the insurance policy bearing No.804396373 from LIC of India through its Rajahmundry Divisional Office, on his own life, for a sum assured of Rs. 62,500/-, commencing from 25.7.2011. The DLA died on 16.8.2011. Being nominee under the policy, she lodged the death-claim with the OP-Insurer for payment of the sun assured. The insurer repudiated her claim on the ground of non-disclosure of the fact in Proposal filed for insurance policy about his (DLA's) suffering from 'Squamous cell carcinoma' prior to taking the insurance policy. Contending that the allegation of the insurer about the sufferings of the DLA was not correct, he has requested for settlement of the death-claim in his favour.

3. In the Self Contained Note filed by the Opposite Party it is stated that the proposal of the Deceased Life Assured for insurance was accepted by it on 25.7.2011 and that the DLA died on 16.8.2011, i.e., after 21 days of acceptance of risk. Upon enquiry made into the facts, it was found that the deceased life assured was admitted into ASRAM Hospital, Eluru, on 28.3.2011 for 'Chronic non-healing ulcer on left arm'. Further, on 7.4.2011 he was examined and was found to have 'Sqamous Cell Carcinoma'. These facts were intentionally withheld and not disclosed in the Proposal dated 24.7.2011 by the DLA. For suppression of these material facts, the death-claim was repudiated.

4. Though notice was issued by this office, the complainant chose not to appear to take part in the hearing. One Mr. M. Pallaiah, who claimed himself as the neighbour of the Complainant appeared on behalf of the Complainant. His presence was ignored as appearance of the insured/complainant through neighbor/friend is not envisaged under the RPG Rules, 1998. Mr. V. Gopalakrishna, AO (Claims), representing the OP, appeared for hearing. He fully supported the facts stated in the SCN and submitted that the DLA namely Ch. Yerakaiah had submitted the Proposal on 24.7.2011 to have insurance coverage on his own life for sum assured of Rs. 62500/-

The deposit of premium was made on 25.7.2011. Allowing dating back benefit, the policy was made to commence from 28.6.2011. The LA died on 16.8.2011. Since it was an early claim, as per its official norms, investigation into the claim was made. The investigation brought to light that the DLA had taken treatment at ASRAM Hospital, Eluru, on 28.3.2011 for chronic non-healing cancer on his left arm. Again, he was medically examined on 7.4.2011 by ASR Academy of Medical Sciences, Eluru, where his disease was diagnosed as 'Squamous cell carcinoma'. But these facts were not stated in the proposal by the proposer. As material information with regard to DLA ill-health was withheld, the claim was repudiated.

5. The materials on record bring out that death- claim of the complainant who happens the nominee of deceased Chukka Yerakaiah, the Life Assured, has been repudiated by the OP on the ground of suppression of material facts in the proposal form by the DLA with regard to his suffering from the disease of 'Squamous cell carcinoma' which was a pre-existing disease with the Life Assured who had undergone medical treatment for the same. The complainant has not come forward to challenge the contention advanced and the documentary materials produced by the OP in support thereof. The Xerox copy of the Discharge Summary dated 11.4.2011 of Alluri Sitarama Raju Academy of Medical Sciences Hospital, Eluru filed by the OP would show that the patient Ch. Yerakaiah having IP No.2011011184, was admitted into Hospital on 28.3.2011 and he was discharged on 11.4.2011. In the column of Clinical History, it is stated that "chronic non-healing ulcer on left arm" and under 'past history' the recording was 'Electric burns on left arm'. The Histopathology Report confirmed 'well differentiated Sq.Cell Carcinoma' in the patient. The complaint has not come to deny that the medical papers do not relate to her husband. In the absence of any challenge, there is no reason to disbelieve the medical papers. It is thus evident that the DLA had Electrical burns 7 years back" and the Patient's History reflects that he was apparently asymptomatic 11 months back and he developed a small ulcer on left arm which gradually progressed. The medical papers would show that by medical tests held on the LA, his disease was diagnosed as 'Squamous cell carcinoma' as early as 7.4.2011 and that he was hospitalized for treatment from 28.3.2011 to 11.4.2011 which period was clearly much before the date when proposal for the policy was made by him on 24.7.2011. But these facts were not stated by the LA in his Proposal. Necessarily material facts were suppressed in the proposal by the LA for taking the policy. There cannot be any gain saying of the fact that information sought in the proposal form is material for the purpose of issue of the policy by the insurer. It is well-known that the policy of insurance is a contract of utmost good faith and breach of this principle by one party would entitle the other party to avoid its part of obligation under the contract. In

such circumstances, repudiation of the claim of the complainant as has been by the OP for suppression of material fact in the proposal form by the Insured does not call for any interference. Hence, it is ordered

ORDER

that the complaint being devoid of merit is hereby dismissed.

Let the copy of this "Award" be sent to both parties by Regd. Post.

BEFORE THE INSURANCE OMBUDSMAN, HYDERABAD

Dated the 28Day of March 2013

COMPLAINT NO- I.O.(HYD)L-21-010-445/ 2012-13

Between:

Mr. Rajana Lova Raju

H.No. 2-52, Mallam (Post)

Chinna Bimavaram Village

Butchaipeta Mandal

VISAKHAPATNAM – 531 036

..... Complainant

Vs.

Reliance Life Insurance Co. Ltd.

..... Opposite Party

For the Complainant

.... Himself

For the Opposite Party

.... Sri SVSSP Sastry, BSM

Date of Registration: 18.09.2012
Date of Hearing: 14.03.2013
Date of Award: 28.03.2013

Complaint U/R 12(1) (b) of RPG Rules, 1998

AWARD No. I.O. (HYD) L-069/2012-13

- 1. This is a Complaint filed by the Complainant seeking settlement of death-claim under the policy taken by his mother which was repudiated by the Reliance Life Insurance Company Ltd., the Opposite Party herein**

- 2. It is stated by the Complainant that his mother Simhachalam Rajana (since dead) had taken the insurance policy bearing No. 18120336 commencing from 20.11.2010 on her own life for sum assured of Rs. 8,00,000/- from the OP-Insurer. The Life Assured namely Simhachalam Rajana died on 04.09.2011. Being the son as well as the nominee of deceased Life Assured, he applied to the OP for settlement of death-claim under the policy in his favour. But the OP repudiated his claim advancing an invalid ground that there was suppression of material facts made by the Life Assured who, as stated by the OP, understated her age in the Proposal for taking the insurance policy. It is stated by the Complainant that for taking the policy, his mother had submitted her Voter's Identity card in proof of her age and that basing on the said age proof; the insurance company issued the policy to her. Being aggrieved by rejection of his claim on invalid ground, he has filed the present complaint seeking the relief of settlement of the claim.**

- 3. In the Self Contained Note filed by the Opposite Party, it is stated that the date of birth stated by the deceased life assured in her proposal for insurance was XX.XX.1955. But the investigation made into the claim by it revealed that the Life Assured had grossly understated her age to take the policy. In the Regional Voters' list issued in the year 2011 pertaining to 145-Chodavaran Assembly constituency of AP State wherein the name of the DLA figures at Serial No.1039, her age was mentioned as 73 years. Further, as per the Household Ration Card issued on 15.10.2006, age of the deceased Life Assured was reflected as 69 years. As such, the age of the Life Assured in the year 2010, during which policy was taken, was 72+ years. As per the policy**

features, the maximum entry age for the policy was 65 years only. But by grossly understating her age by 17 years, the Life Assured took the policy from it. Had she disclosed her actual age at the time of taking of the policy, it would have advised her to undergo medical tests and basing on which they would have taken a decision for acceptance of risk. Since age was material to the issuance of the policy, the Life Assured was under obligation to disclose her actual age in the proposal. By not doing so, she had misled the Insurer to issue of the policy in her favour. It is further stated that U/S 45 of Insurance Act, 1938, a policy can be called in question within 2 years of its commencement on the ground that some statements as made, leading to the issue of policy was inaccurate or false.

4. At hearing, the submission made by the complainant is that in 2010 his mother Mrs. Rajana Simhachalam took the policy from Reliance Company for sum assured of Rs. 8,00,000/- .She died on 4.9.2011 due to Heart attack. At the time of her death, she was aged about 55 years. After her death, being the nominee he filed death-claim with the OP-insurer submitting all papers including the Voter ID card. But, the insurance Company rejected his claim on the ground that there was understatement of age by the DLA. He stated that his mother gave her correct age in the proposal for the insurance, submitting for the purpose of age proof, a copy of the Voter ID card. He filed the photo-copy of the voter ID card alongwith other documents and at the hearing he produced the Original Voter ID card for the perusal when no discrepancy between the Original and the Photo-copy was found. He submitted that since there was no understatement of age made by the LA, the death-claim be settled in his favour. On the other hand, the OP's representative submitted that on receipt of claim forms from the Complainant, investigation into the claim was made. During investigation the relevant electoral roll of the year 2011 and also the House-hold Card issued in the name of the DLA were collected. In the said Electoral roll, the age of the Life Insured was mentioned as 73 years. But by showing the voter ID card where her age was shown as 55 years, the policy was taken by the LA. The maximum entry age for the said policy being 65 years, had the DLA mentioned her correct age in her proposal, the policy would not have been issued. As understatement of age was made by the DLA, the claim was denied.

5. The death-claim filed by the Complainant has been repudiated by the OP on the ground of understatement of age by the Life Assured in the proposal form. It is beyond controversy that the maximum entry age into the policy taken by the LA was 65 years. The policy in question commenced from 20.11,2010. The stand of the OP is that in the year 2011 as it would be seen from the Regional Voter's List issued in the year 2011, a photo-copy of which has been filed on behalf of the OP, the age of the LA was noted as 73 years . As such in 2010 when policy was taken, the her age being much

above the maximum entry age of 65 years, she lacked the eligibility to take the policy. But understating her age by showing her date of birth as 1955, she took the policy. The contention of the complainant on the contrary is that the age of the LA as stated at the time of taking the policy was correct being in consonance with the Voter's Identity card which she filed in proof of her age. Thus, the position is that OP's contention as regards the age of the LA is grounded upon two documents such as Regional List of voters-2011 of Assembly Constituency of Andhra Pradesh and the Household Ration Card of the year 2006. These two documents apparently support the contention of the OP. But all the same, it is to be taken note of that in support of her age as stated in the Proposal, the LA had filed her Voter's Identity Card which was then accepted by the OP in proof of the age of the LA. At the time of hearing, the complainant produced the original Voter's Identity Card of the LA where her date of birth has been shown as XX.XX.1955. A Voter's Identity Card is a public document carrying presumption of authenticity of the facts mentioned therein. There is no denial of the fact made by the OP that for the purpose of age proof, Voter's Identity Card of the LA was accepted by the Insurer as one of the evidences in proof of the age of the Proposer/Life Assured. In the Regional List of voters, the same Voter ID no. which has been noted in the Voter's Identity Card of the LA has been mentioned. Thus when the Regional List of voters for the constituency was prepared, the particulars as noted in the Voter ID relating to the LA were available. It is not understood how on the very next year in the Regional Voter's List age of the LA became 73 years. Further on what basis age of the LA in the Household Ration Card of the year 2006 was mentioned as 72+ years remains unexplained. As per rules of evidence as envisaged in the Indian Evidence Act, the OP having raised the challenge /dispute with regard to the age of the LA, the burden primarily lies on it to establish what was stated as her age by the LA was not correct. When Voter's Identity Card which was filed by the LA in proof of her age at the time of taking the policy and when as per OP's underwriting scheme, Voter Identity Card is taken one of the acceptable documents in proof of the age of the Proposer/Life Assured, is pitted against Regional Voter's List of the year 2011 and Household Ration Card of the year 2006 as relied upon by the OP in matters relating to age, the conclusion under the circumstances is bound to be drawn in favour of the complainant that age as stated by the LA for taking the policy was not incorrect and that she did not make any understatement with regard to her age for taking the policy. When this view is taken basing upon Voter's Identity Card filed by the LA, the age of the LA would work to 55 years when in 2010 she took the policy. As per the policy in terms of the age, she was eligible to take the policy. Necessarily therefore, the contention of the OP in this regard fails. Resultantly, the complainant is entitled to the death-claim under the policy. Hence, it is ordered that

ORDER

that the complaint is allowed. The OP is directed to settle the claim of the complainant as per the policy conditions treating that there was no understatement of age by the DLA.

Let the copy of this "Award" be sent to both parties by Regd. Post.

For implementation of this Award, the Complainant shall have to communicate through a letter of acceptance to the Opposite Party within a month from the date of receipt of the copy of this Award, clearly stating that the Award is in full and final settlement of his claim where-after the Opposite Party shall comply the Award within 15 days from the date of receipt of above letter of acceptance, under intimation to this forum.

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BEFORE THE INSURANCE OMBUDSMAN, HYDERABAD

Insurance Ombudsman (In-charge)

Dated 28th day of March, 2013

COMPLAINT NO- I.O.(HYD) L-21-001-409/ 2012-13

Between:-

Mrs. Dugyala Salamma

W/o late Dugyala Posham

Jenda Venkatapur Village

Mamidigattu

Via Bheemaram

ADILABAD – 504 204

..... Complainant

Vs.

Life Insurance Corporation of India

Karimnagar Division

..... Opposite Party

For the Complainant **Herself**
For the Opposite Party **Ms. GVL Hymavathi, AO (Claims)**

Date of Registration: 25.10.2012

Date of Hearing: 14.03.2013

Date of Award: 28.3.2013

Complaint U/R 12(1) (b) of RPG Rules, 1998

AWARD No. I.O. (HYD) L-070/2012-13

1. This is a Complaint filed by the Complainant seeking settlement of death-claims under the policies of her husband which have been rejected by the Opposite Party.

2. It is stated by the Complainant that her husband late Mr. Dugyala Posham (hereinafter described as 'DLA') had taken 2 policies of insurance bearing Nos. 68432114 and 683964059 for sums assured of Rs. 1,00,000/- and Rs..50,000/- from LIC of India, the OP herein, with the policies commencing from 28.3.2004 & 19.7.2006 respectively. The DLA was murdered on 4.1.2007 leading to initiation of a murder case in the criminal court. Consequent upon the death of her husband, being the wife- nominee of DLA she applied to the OP for settlement of the death-claims in her favour. The OP asked her to produce the Certificate being obtained from the Public Prosecutor to the effect that no Appeal in the murder case which had terminated in acquittal of the accused persons who included her, has been preferred by the State. As the certificate was not issued to her by the Public Prosecutor; she filed a copy of the Judgment of acquittal with the OP requesting for settlement of the death-claim. But the OP insisted on production of the certificate by her which she could not procure despite effort and did not pay her claims. Being aggrieved thereby, she has filed this complaint seeking the relief of settlement of death-claims in her favour under both the policies.

3. In its Self-Contained note, the OP has stated that the Complainant, who was the nominee of the DLA under the policies, was joined as a co-accused in the murder case instituted upon murder of the DLA. Because of her involvement in the murder case, the claim preferred by the complainant could not be settled awaiting outcome of the criminal case. After disposal of the criminal case and receipt of the copy of the judgment, decision was taken by it accepting its liability for payment. Since there was no information with it regarding filing of Appeal against the judgment of acquittal, it asked the complainant to get a letter from the Public Prosecutor, who conducted the criminal case, that no appeal against the judgment of her acquittal had been preferred. It is stated by the OP that on receipt of this information, it would settlement of the death claim.

4. At hearing, it was submitted by the complainant that her husband late D. Posham who had taken two insurance policies - one three years before his death and another policy five months before his death from the LIC, was murdered in the village Gudipeta. Being the nominee, she filed the death-claims with the OP-Insurance Company. In the murder case of the DLA, the police made her one of the accused persons but finally she was acquitted of the charge by the Court. For the settlement of her claims, OP insisted on her to produce a certificate being obtained from the Public Prosecutor (For short 'PP') with regard to non- filing of any Appeal against the order of her acquittal. She approached the PP several times, but he refused to issue such certificate. The acquittal order was passed some three years back and so far she did not receive any notice from the Hon'ble High Court in connection with the above case. But still the OP is not settling her claims for want of the said certificate from the PP. On the other hand, the OP's representative submitted that the DLA took two policies, one from 28.3.2004 and another from 19.7.2006. The complainant, who was made the nominee under both the policies, filed death claims reporting murder of her husband on 4.1.2007. In the investigation that was made into the claims, it was found that the nominee, who was made a co-accused in the murder case, was tried in the court of Addl. Sessions Judge, Asifabad and that the case terminated in the acquittal of all the three accused persons including the wife of the DLA. After receipt of a copy of judgment dated 10.11.2010 of the Sessions Court, the claims were admitted by it. As per its claim settlement rules, information about the filing of Appeal against Judgment of her acquittal was necessary for which she was asked to submit such information. As the certificate from PP has not been furnished to it, the claims have not been settled.

5. The contentions of the Opposite Party in the SCN make the position clear that in respect of the two death-claims filed by the Complainant on the policies of her deceased husband-Dugyala Posham ,the OP has long since accepted its liability obviously to the complainant and that it is for

want of the certificate of the Public Prosecutor to the effect that State had not preferred any Appeal in the murder case against the judgement of acquittal, which it (OP) asked the Claimant to furnish, the payment of the sums due on the policies has been held up. The liability under the policies being admitted by the OP, the issue of complainant's entitlement to the claim-amount in the event of the order of acquittal remaining undisturbed, does not any more remain open. What is made to appear before this forum by the parties is that the matter of claim-settlement has remained stuck up for want of PP's certificate regarding preferring of any Appeal against the order of Acquittal. It is the contention of the OP that after receipt of the copy of the Judgement, it asked the Claimant who was a co-accused in the murder case, to file the certificate of the PP which she did not furnish. It is clarified by the complainant that she made sincere effort to procure the certificate. But the concerned PP did not issue the certificate to her in spite of her several requests. This fact was repeated by the Complainant at hearing also. There is no reason to disbelieve the version of the Complainant in this regard. The liability under the policies having been accepted by the OP, in the present circumstances, it would be appropriate not to allow the OP to drag its feet any longer in discharge of its liability where the cause of action for the claim took place a little more than 6 years ago i.e., when the death of the LA occurred and the order of acquittal was recorded by the Sessions court concerned on 10.11.2010 as it would be evident from the certified photo-copy of Judgment dated 10.11.2010 passed by the III Additional Sessions Judge (FTC), Asifabad in Sessions Case No. 496 of 2009 (in PRC No. 34/08 in Cr. No. 04/2007 of P.S. Hajeepur) as produced by the Complainant at the hearing. More than 2 years have already elapsed from the date of the Judgement of acquittal. On behalf of the OP, no submission is made that it ever made any endeavour to ascertain otherwise about the filing of any Appeal by the State particularly when the complainant had intimated it about her failure to obtain the certificate from the concerned PP. The Judgment being passed on 10.11.2010, the period of Appeal against acquittal has long since been expired. In the circumstances, it would be in the fitness of things to direct the OP not to delay any further in discharging its accepted liability under the policies in favour of the complainant. Hence, it is ordered

ORDER

that the complaint is allowed. The OP is directed to settle the claims of the complainant, under both the policies in terms of policy conditions without delay.

Let the copy of this "Award" be sent to both parties by Regd. Post.

For implementation of this Award, the Complainant shall have to communicate through a letter of acceptance to the Opposite Party within a month from the date of receipt of the copy of

this Award, clearly stating that the Award is in full and final settlement of his claim where-after the Opposite Party shall comply the Award within 15 days from the date of receipt of above letter of acceptance, under intimation to this forum.

OFFICE OF THE INSURANCE OMBUDSMAN,
HINDUSTHAN BLDG. ANNEXE, 4TH FLOOR,
4, C.R. AVENUE, KOLKATA – 700 072

AWARD IN THE MATTER OF

Complaint No. : 355/21/001/L/06/2012-13

Nature of Complaint : Repudiation of death claim

Category under RPG : 12 (1) (b) Rules 1998.

Policy No. : 436523999

**Name & Address of
the Complainant** : Smt. Jyotsna Chakraborty,
Vill. Ramanathpur, P.O. Kumirmora,
District: Hooghly,
Pin: 712 704.

**Name & Address of
the Insurer** : Life Insurance Corporation of India,
Howrah D.O., Rallis Building,
16, Hare Street,
Kolkata – 700 001.

Date of hearing : 7th November, 2012.

Date of Order : 8th November, 2012

AWARD

This petition is filed by the complainant against Life Insurance Corporation of India for non-receipt of death claim under the policy no. 436523999 and the same has been admitted under Rules 12(1)(b) of the RPG Rules 1998.

Facts and Submissions

1. Complainant

The complainant is the wife of the Deceased Life Assured (DLA) Late Balai Chakraborty and nominee of the policy no.436523999. Her husband (DLA) had taken the above policy from LIC, Jangipara Branch on 28th March, 2005 for sum assured of Rs.1,00,000/- with quarterly premium of Rs.1,809/-. The complainant stated in her complaint letter dated 4th June, 2012 that her husband used to pay his premiums regularly till March, 2006 and thereafter, he defaulted to pay next three quarterly premiums of June, 2006, September, 2006 and December, 2006 due to his financial stringency and so, the policy was in lapsed condition. The policy was revived on 12th March, 2007 after paying three quarterly premiums and submitting the Declaration of Good Health (DGH) but, unfortunately, DLA expired on 14th March, 2007 (i.e. within 2 days from the date of revival). The cause of death was heart failure but according to her, DLA had no previous history of heart problem or any other ailment prior to his death. He had personally visited the Branch Office of LIC on 12th March, 2007 to sign the DGH at the time of reviving the policy. The claim was repudiated by the insurer on the ground that DLA had history of high blood pressure, concentric LVH, Infero-lateral Ischaemia before reviving the policy which was not disclosed in DGH dated 12th March, 2007. The complainant disputed the ground of repudiation alleging that the insurer had procured a fake medical attendance certificate to repudiate the claim. Her representation to the Zonal Claims Review Committee was rejected and thereafter, she approached this Forum seeking appropriate relief and submitted "P" Forms giving her unconditional and irrevocable consent for the Hon'ble Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

2. Insurer

The insurer have stated in their Self-Contained Note (SCN) dated 19th July, 2012 that DLA had taken a policy bearing no.436523999 on 28th March, 2005, which was in lapsed condition due to nonpayment of the quarterly premiums since June, 2006 without acquiring the paid up value. The policy was revived on 12th March, 2007 by paying three quarterly premiums on the strength of personal statement regarding health. The LA expired on 14th March, 2007 due to CVA. On scrutiny,

it was found that DLA had history of high blood pressure, Concentric LVH, Infero-lateral Ischaemia etc. before reviving the policy. The competent authority decided to repudiate the claim on the ground of misrepresentation and suppression of material facts at the time of reviving the policy. Consequent upon the appeal of the complainant, the ZCRC reviewed the case and upheld the repudiation.

3. Hearing :

Both the parties were called for a personal hearing on 07.11.2012. The complainant attended along with her son who explained the facts and grounds of complaint. He stated that his father did not have any health problems at the time of revival of the policy. He was not hospitalized for any major illness. He suddenly passed away within two days of the revival without any previous suffering. He referred to the ECG report of AMRI hospital and stated that the report of ECG was normal.

The representative of the insurance company reiterated their stand as mentioned in the SCN and discussed above.

4. Decision :

We have heard both the parties, considered their written submissions and examined the documents submitted to this forum. The complainant has approached this forum against the decision of the insurance company to repudiate the death claim on the ground of suppression of material facts relating to health of the DLA. From the facts presented to this forum, we find that the DLA had revived the policy on 12.03.2007 and expired after two days on 14.03.2007. As it was a very early claim, an investigation was instituted by the Insurer to verify the genuineness and bonafide of the claim. Their investigation revealed that the DLA was suffering from hypertension and Ischaemic heart prior to the date of revival of the policy. This is supported by the ECG report of AMRI hospital dated 01.03.2007 submitted by the insurer. The insurer has also submitted a doctor's (name not visible) prescription dated 01.03.2007 which shows uncontrollable hypertension. As per the death certificate issued by Dr. Answer Ahmed Mallick the cause of death was heart stroke. The claim form 'B' given by the same doctor shows that the DLA was suffering from hypertension with diabetes. The complainant has argued that the ECG report was normal, but the concluding remark of the doctor in the ECG shows definite disorder of heart. The complainant has not produced any other evidence or medical papers to counter the statement given by Dr. Answer Ahmed Mallick in the claim form 'B'. Thus, it is clear that the DLA was suffering from hypertension and cardiac

problems prior to revival of the policy and had consulted doctors for his ailments. This fact was withheld in the DGH, wherein he stated that his health condition was good. He died within two days of revival due to heart stroke. Under the circumstances, it is quite clear that he did not make true disclosure of the material facts in the DGH and gave a wrong declaration for revival of the policy.

After careful evaluation of all the facts and circumstances of the case, we are of the opinion that suppression of material facts has been established with strong and convincing documentary evidence. The doctrine of utmost good faith is applicable to the insurance contract and any misrepresentation or suppression of the facts material to the underwriting decision is sufficient to void the contract. However, considering the extreme financial hardship of the widow, we allow refund of the revival premium of Rs.5427/- to the complainant purely on ex-gratia basis. The insurance company is directed to pay the amount within 15 days after receiving the consent from the complainant.

The complaint is disposed off.

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OFFICE OF THE INSURANCE OMBUDSMAN, KOLKATA
HINDUSTHAN BLDG. ANNEXE, 4TH FLOOR,
4, C.R. AVENUE, KOLKATA – 700 072

AWARD IN THE MATTER OF

Complaint No.	:	405/21/001/L/06/2012-13
Nature of Complaint	:	Repudiation of death claim
Category under RPG	:	12 (1) (b) Rules, 1998.
Policy No.	:	S/424438588
Name & Address of the Complainant	:	Smt. Kalyani Ghosh, 10/1, Monoharpukur 2 nd Lane, Kolkata – 700 029.
Name & Address of	:	Life Insurance Corporation of India,

the Insurer
K.M.D.O. – I, Jeevan Prakash,
16, C.R. Avenue,
Kolkata – 700 072.

Date of hearing : 7th November, 2012.

Date of Order : 8th November, 2012

AWARD

This petition is filed by the complainant against Life Insurance Corporation of India for non-receipt of death claim under the policy no. S/424438588 and the same has been admitted under Rules 12(1)(b) of the RPG Rules 1998.

Facts and Submissions

1. Complainant

The complainant has stated in her complaint dated nil, received by us on 19th June, 2012 that she is the wife of the Deceased Life Assured (DLA) Late Subhadeep Ghosh and nominee of the policy bearing no.S/424438588. The policy was purchased from LIC on 28.12.2008 for SA of Rs. 1,25,000/-. DLA expired on 5th February, 2011 due to gastroenteritis and thereafter, she submitted her claim to the insurer. But the claim was repudiated by the insurer vide their letter dated 17th January, 2012 due to suppression of material facts at the time of taking the policy. She has further stated that her husband had suffered from Viral Hepatitis & anxiety in 2006, from joint pain of left shoulder in 2007 and mental shock in 2008, but these diseases had no direct link with the cause of death of her husband. Her husband was quite fit and active and had last attended office on 4th February, 2011, just one day before his death on 5th February, 2011. Moreover, the insurer has already paid an early claim under policy no.577805781 on 18th May, 2011 Being aggrieved with the decision of the insurer, she approached this Forum seeking appropriate relief and submitted 'P' Forms giving her unconditional and irrevocable consent for the Hon'ble Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

2. Insurer The insurer has mentioned in their written submission (SCN) dated 1st November, 2012 that the policy bearing no.S424438588 was issued to the Life Assured (LA) Subhadeep Ghosh (Since deceased) on 28th December, 2008.

The policyholder did not disclose the fact of the illness which he suffered before the date of commencement of the policy. The same has been established from doctors' certificates and prescriptions. The certificate of Dr. Ashis Dhar dated 8th July, 2006 reveals that the DLA was suffering from Viral Hepatitis from 12th June, 2006 to 7th July, 2006. Similarly the certificate of Dr. D. Roy dated 25th March, 2007 establishes that the DLA was suffering from stiffness of left shoulder due to old subluxation (traumatic) of acromioclavicular joint for the period 20th January, 2007 to 25th March, 2007. Since the LA deliberately suppressed this material information regarding his health at the time of taking the policy, they have repudiated the Claim. As regards the other policy already settled by them, they have stated that there was no mention regarding this policy in the Claim Form-A submitted by the claimant.

3. Hearing :

Both the parties were called for a personal hearing on 07.11.2012. The complainant attended along with her relative and explained the facts and ground of complaint. She stated that her husband was not admitted in any hospital for treatment of any physical ailments. He had suffered from viral hepatitis in 2006 and had completely recovered after 3-4 days treatment. He also suffered from mental anxiety for a brief period in 2007 due to some family problem, but it was a temporary problem. She further stated that her husband did not mention about his left shoulder injury in the proposal form as it was a very old injury and there was no question in this regard. She pleaded for sympathetic consideration of her case in view of her extreme financial hardship.

The representative of the insurance company informed that the claim was repudiated due to suppression of material facts. He produced the original medical certificates of different doctors in support of their contentions.

4. Decision :

We have heard both the parties, considered their written submissions and examined the documents submitted to this forum. The complainant has approached this forum against repudiation of death claim of her husband on the ground of suppression of material facts. From the facts presented to this forum, we find that duration of the policy was two years and five months. Insurer's investigation has revealed that the LA had suffered from various diseases prior to commencement of the policy. In support of their contentions they have produced a certificate of Dr. Shyamal Chakraborty stating that DLA was suffering from anxiety and was under his treatment since 15.03.2006 and he was advised bed rest for three days from 15.03.2006 to 17.03.2006. He was

declared fit to resume his duties on 18.06.2006 onwards. In another certificate given by Dr. D. Ray dated 25.03.2007, it is mentioned that DLA was suffering from stiffness of left shoulder due to a trauma and was advised bed rest for two months from 20.01.2007 to 25.03.2007. Dr. S. Chakraborty has given another certificate dated 26.09.2008 (prior to the commencement of the policy) stating that DLA was suffering from 'Affective disorder' and was under his treatment for some time and was advised rest from 15.09.2008 to 26.09.2008. The insurer has also submitted a certificate showing that DLA was suffering from viral hepatitis from 12.06.2006 to 07.07.2006. All these certificates are without any supporting prescriptions. Hence it is difficult to treat them as conclusive evidence of pre-existing diseases as the nature of diseases and details of treatment are not clearly established. Moreover, there was no hospitalization for treatment of viral hepatitis. As regards the shoulder injury, the specific question no.11 in proposal form is vague and asks about the present accident or injury. The DLA suffered an accident/ injury in 2007 much prior to the commencement of the policy. Therefore, it cannot be said that he has misrepresented the facts at the proposal stage. Regarding the affective disorder, we do not find any specific question to disclose this disease. The general question of whether he had consulted medical practitioner for any ailments can be understood to mean physical ailments only. Moreover, there is no link between cause of death and the temporary mental anxiety suffered by the DLA. We have also noted that LIC has already made payment of death claim in another policy which was taken at the same time. No objection was raised at the time of settlement of the claim under that policy.

After careful evaluation of all the facts and circumstances of the case, we are of the opinion that the ground of repudiation has not been established by the insurance company with strong and convincing documentary evidence. They have failed to produce any supporting prescriptions/ investigation reports to corroborate the certificates given by the doctors. From the leave record also, we find that the period of absence did not exceed for more than a week at a time. Considering all these facts, we are of the opinion that the case of misrepresentation and suppression of material facts is not established. The decision of the insurer is erroneous and the same is set aside. They are directed to settle the death claim and make the payment within 15 days after receiving of this order along with consent from the complainant.

The complaint is allowed.

**OFFICE OF THE INSURANCE OMBUDSMAN,
HINDUSTHAN BLDG. ANNEXE, 4TH FLOOR,
4, C.R. AVENUE, KOLKATA – 700 072**

AWARD IN THE MATTER OF

Complaint No. : **257/21/005/L/05/2012-13**

Nature of Complaint : **Repudiation of death claim**

Category under RPG : **12 (1) (b) Rules, 1998**

Policy Nos. : **14317870 & 14239415**

**Name & Address of
the Complainant** : **Mrs. Rahena Begum,
Vill. Sardar Para, P.O. Bhakti Para,
District: Jalpaiguri,
Pin: 735 101.**

**Name & Address of
the Insurer** : **HDFC Standard Life Insurance Co. Ltd.,
11th Floor, Lodha Excelus,
Apollo Mills Compound,
N.M. Joshi Marg, Mahalaxmi,
Mumbai – 400 011.**

Date of hearing : **12th November, 2012.**

Date of Order : **14th November, 2012**

AWARD

This petition is filed by the complainant against HDFC Standard Life Insurance Co. Ltd., for non-receipt of death claim under the policy nos. 14317870 & 14239415 and the same has been admitted under Rules 12(1)(b) of the RPG Rules 1998.

Facts and Submissions

1. Complainant

The complainant has stated in her complaint letter dated 10th May, 2012 that she is the wife of the Deceased Life Assured (DLA) Late Md. Noor Islam and nominee of two policies bearing nos.14317870 and 14239415 taken from HDFC Standard Life Insurance Co. Ltd. The proposals were accepted by the insurer on the basis of medical examination of the Life Assured (LA). After the death of her husband on 12th April, 2011, she submitted claim for the policy moneys to the insurer but the insurer repudiated the claim by their letter dated 12th March, 2012.

Being aggrieved, she approached this Forum seeking appropriate relief and submitted 'P' Forms giving her unconditional and irrevocable consent for the Hon'ble Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

2. Insurer

The insurer have stated in their written submission (SCN) dated 07.08.2012 that based on the duly completed and signed proposals/application forms dated 21st February, 2011 and 23rd March, 2011, they had issued two policies bearing nos.14317870 and 14239415 under HDFC Premium Guarantee Plan for sum assured of Rs.5,14,080/- and HDFC Standard Life Pro-Growth Super II for sum assured of Rs.1,50,000/- respectively. The DLA was admitted to Apollo Gleneagles Hospital, Kolkata, from 3rd November, 2010 to 6th November, 2010 with Peripheral Arterial Disease, Right Sided Infra Popliteal Long Segment Total Occlusion with Good Collaterals (on Peripheral Angiogram), Ischaemic Ulcer in Right Foot, Thallasemia and Diabetes Mellitus Type II. The DLA did not disclose all the above facts in the proposal forms. Had the same been disclosed, the contract of insurance would not have materialized at all or a different set of terms and conditions with different premium rates would be offered. As per Clause 9 of HDFC Premium Guarantee Plan and Clause 20 of HDFC Pro-Growth Super II under standard policy provisions, they are not liable to pay the benefit amount indicated in the policy schedule if there is suppression of material fact, pre-existing conditions/diseases. The DLA answered in negative to the medical questionnaire under Section D – Personal and Family History of the Life Assured in clause nos.13(5) and 13(6) in the

proposal form under policy no.14317870 stating that he had not undergone any medical treatment in the last 5 years in any hospital and did not suffer from diabetes.

In view of the above, they have repudiated the claim and prayed before this Forum for dismissal of the complaint.

3. Hearing :

Both the parties were called for a personal hearing on 12.11.2012. The complainant attended and submitted the facts and grounds of her complaint. She stated that her husband died suddenly due to heart attack and denied that he was admitted in Apollo Gleneagles Hospital. She further stated that her husband was treated by a homeopathic doctor who had also examined him and certified his death. Copies of the prescriptions of Dr. Nurul Islam (Homeopath) have been submitted.

The representative of the insurance company reiterated their stand as mentioned in the SCN and discussed above.

4. Decision :

We have heard both the parties, considered their written representations and verified the documents submitted to this forum. The complainant approached this forum against the insurer's decision to repudiate the death claim of her husband on the ground of suppression of material facts relating to pre-existing disease. From the papers presented to this forum, we find that the DLA had submitted two duly signed proposal forms on 21.02.2011 and 23.03.2011 based on which policies were issued w.e.f. 31.03.2011 and 12.04.2011 respectively. As per the death certificate submitted by the complainant, the DLA expired on 12.04.2011 due to cardio vascular failure. The duration of the first policy was just 12 days and the 2nd policy did not commence at all. The insurance company has produced documentary evidence in the form of a certificate regarding treatment of DLA in Apollo Gleneagles Hospital, Kolkata for the period from 03.11.2010 to 06.11.2010 and 17.11.2010 to 23.11.2010. This is further supported by the discharge summary of the hospital for the first admission. The discharge summary for the 2nd admission has not been produced. From the first discharge summary, we find that the final diagnosis included "Peripheral Arterial Disease", Right Sided Infra Popliteal Long Segment Total Occlusion with Good Collaterals (on Peripheral Angiogram), Ischaemic Ulcer in Right Foot, Thallasemia and Diabetes Mellitus Type II". The patient had undergone peripheral angiogram and PAG during first hospitalization. He was

advised regular dressing of foot ulcer and surgical revascularization. The fact regarding treatment in Apollo Gleneagles hospitalization, which was prior to the date of commencement of the policies were not disclosed in the proposal forms in reply to specific questions whether LA had undergone any hospitalization or consulted any doctor or suffered from any of the diseases mentioned in the discharge summary. This is a clear suppression of material facts that are adequate to void the insurance contract.

The complainant has denied that DLA was treated in Apollo Gleneagles Hospital. She has produced a prescription dated 05.04.2011 from the homeopath doctor, Dr. N. Islam wherein doctor has noted that DLA was suffering from high blood pressure and abscess on his left foot which corroborate the diagnosis of Apollo Gleneagles Hospital. Under the circumstances, pre-existence of disease stands confirmed.

After careful evaluation of all the facts and circumstances, we are of the opinion that the insurance company has produced strong and convincing documentary evidence to support the ground of repudiation. However, considering the fact that the risk under the policy no.14239415 did not commence before his death, we allow refund of the premium of Rs.15000/- for the second policy on ex-gratia basis in view of the economic hardship of the widow. The insurance company is directed to make the payment within 15 days from the receipt of this order along with consent letter from the complainant.

The complaint is disposed off.

**OFFICE OF THE INSURANCE OMBUDSMAN,
HINDUSTHAN BLDG. ANNEXE, 4TH FLOOR,
4, C.R. AVENUE, KOLKATA – 700 072**

AWARD IN THE MATTER OF

Complaint No. : 54/21/001/L/04/2012-13

Nature of Complaint : Repudiation of death claim

Category under RPG Rules, 1998 : 12 (1) (b)

Policy No. : 555233432

Name & Address of complainant : **Shri Ram Ratan Singh,**
C/o Nirmal Gope, Asst. Commandant,
CRPF, Old Jail Campus, Sakchi,
Jamshedpur – 831 001.

Name & Address of Insurer : **Life Insurance Corporation of India,**
Jamshedpur D.O., Jeevan Prakash,
Main Road, Bistupur,
Jamshedpur – 831 001.

Date of Hearing : 21st November, 2012.

Date of Order : 23rd November, 2012

AWARD

This petition is filed by the complainant against Life Insurance Corporation of India for non-receipt of death claim under the policy no. 555233432 and the same has been admitted under Rules 12(1)(b) of the RPG Rules 1998.

Facts and Submissions

1. Complainant

The complainant has stated in his complaint dated 24 March 2012 that he is the uncle of Deceased Life Assured (DLA) Late Runni Kumari and proposer as well as nominee of the policy bearing no.555233432 taken from LIC on 10th September, 2007 for SA of Rs. 200,000/-. The DLA, who was only 16 years old, expired suddenly on 6th January, 2008 i.e. within three months of the commencement of the policy. A death claim was preferred by the complainant (nominee) before the insurer. But the latter repudiated the claim on the ground that "there is no insurable interest in this case and the father was also not aware of insurance on the life of his daughter".

The complainant represented to the Zonal Claims Review Committee against the decision of the insurer stating that his relationship with the LA was duly disclosed in the proposal form prior to taking the policy and no objection was raised by the insurance company in this regard at the time of issuing the policy. Moreover, he is the "Karta" of Hindu Undivided Family and he can take care of all financial, medical, social and educational needs of the members of his family. However, his representation was turned down by the Committee. Being aggrieved, he approached this Forum seeking appropriate relief and submitted 'P' Forms giving his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

2. Insurer

The insurer have stated in their Self-Contained Note (SCN) dated 30th May, 2012 that the policy was proposed by Shri Ram Ratan Singh, uncle of the LA, who is also the nominee of the said policy. The LA expired on 6th January, 2008 due to diarrhea. The claim was repudiated by the insurer because there is no insurable interest involved in this case as the proposer is the uncle of DLA. Father of DLA was also not aware of the policy taken on the life of her daughter. The insurer felt that moral hazard is involved in this case and so, the claim was repudiated vide their letter dated 22nd February, 2010. The claimant appealed to the Zonal Office but the ZO/CRC has also upheld the repudiation action taken by the divisional authority.

3. Hearing :

Both the parties were called for a personal hearing on 12.10.2012. The complainant did not attend the hearing. He sent a request for adjournment of the hearing which was received in this office on 11.10.2012. Both the parties attended the next hearing fixed on 21.11.2012. The complainant attended and explained the facts and grounds of complaint. He stated that he had disclosed all the facts correctly and truly in the proposal form. He did not conceal his relation with

the LA. He also claimed that the father of the LA had full knowledge about the policy. He stated that he has no objection if the claim amount is paid to the father of the DLA. He has also submitted an undertaking in this respect and has mentioned that he has taken several policies in the name of his wife and sons and also in the name of his niece for her better future.

The representative of the insurance company attended and represented their submissions as made in their SCN.

4. Decision :

We have heard both the parties, considered their written submissions and examined the documents submitted to this forum. The complainant has approached this forum against repudiation of the death claim of his minor niece, Runni Kumari on the ground that there is no insurable interest involved in this case. From the facts presented to this forum, we find that the complainant had taken a policy on the life of his niece, Runni Kumari on 10.09.2007 for S.A. of Rs.2.00 lakhs. From the proposal form we find that he had clearly disclosed his relationship with the LA as "Uncle". The LA expired on 06.01.2008 within three months of the commencement of the policy. The cause of death is stated to be diarrhea, but there is no doctor's certificate to confirm the cause of death. The insurance company has repudiated the claim on the ground that the proposer is the uncle of LA and therefore, there is no insurable interest involved in this case. They have also alleged moral hazards, which however, remains unsubstantiated. He mentioned himself as a nominee under the policy and also mentioned the father's name under col. 2 of the proposal form. Having disclosed these facts, it cannot be said that there was any suppression of material facts. The proposal was duly executed by the insurance company on the basis of the disclosure made by the proposer and the underwriters did not question the insurable interest at the time of issuing the policy. Once the contract of insurance is concluded on acceptance of the proposal and payment of consideration, the insurance company cannot go back and say that it was not a valid contract. Having accepted the policy they cannot deny their contractual obligation on the ground that there is no insurable interest in this case. However, the LA was a minor and on her death, her estate will devolve as per the law of succession. So far as LIC is concerned, their liability will be discharged if the amount is paid to registered nominee who is the proposer in this case. The Hon'ble Supreme Court in the case of Smt. Sarbati Devi vs. Smt. Usha Devi have held that mere nomination made under section 39 of the Insurance Act 1938 does not have the effect of conferring on the nominee any beneficial interest in the amount payable under the policy on the death of the LA. The nominee is only authorized to receive the amount under the policy which can

be claimed by the legal heirs of the life assured in accordance with the law of succession governing them. The complainant has given an undertaking that he has no objection if the amount is paid to the father of the deceased who is his younger brother.

After careful evaluation of all the facts and circumstances of the case, we are of the opinion that the decision of the insurance company in denying the death claim on the ground of insurable interest is erroneous and the same is set aside. They are directed to admit the claim and pay the amount to the registered nominee, who will be bound to give the money to the legal heirs of the DLA.

The complaint is allowed.

OFFICE OF THE INSURANCE OMBUDSMAN,
4, C.R. AVENUE, HINDUSTHAN BUILDING ANNEXE
4TH FLOOR, KOLKATA – 700 072

AWARD IN THE MATTER OF

Complaint No. : 690/24/001/L/08/2012-13
Nature of Complaint : Repudiation of death claim
Category under RPG : 12 (1) (b) [Wrongly admitted under 12(1)(e)]
Rules, 1998.
Policy No. : 531888198
Name & Address of : Smt. Sandhya Mishra "Bharti",
the Complainant W/o Late Sunil Kumar Mishra,
Ram Babu Chowk, Ward No.17,
Station Road, P.O. & P.S. Samastipur,
District: Samastipur,
Bihar – 848 101.

Name & Address of the Insurer : **Life Insurance Corporation of India,
Muzaffarpur D.O., Jeevan Prakash,
Umashankar Prasad Marg,
Muzaffarpur – 842 002.**

Date of hearing : **28th November, 2012 (Camp: Patna)**

Date of Order : **4th December, 2012**

AWARD

The petition has been filed by the complainant against Life Insurance Corporation of India, for non-receipt of death claim under the policy no. 531888198 and the same has been admitted under Rules 12(1) (b) of the RPG Rules 1998.

Facts and Submissions

1. Complainant

The complainant has stated in her complaint dated 13.08.2012 that she is the wife of the Deceased Life Assured (DLA) Late Sunil Kumar Mishra and nominee of the policy bearing no.531888198 purchased from Life Insurance Corporation of India, Muzaffarpur in December, 1997. Her husband expired at All India Institute of Medical Sciences (AIIMS), New Delhi, on 1st March, 2003. The death claim was repudiated by the insurer due to suppression of material fact regarding his health at the time of effecting the revival of the policy. She approached higher office of the insurer at Kolkata and Patna for reconsideration of their decision but did not receive any response for the last nine years. Being aggrieved, she approached this Forum seeking appropriate relief and submitted 'P' Forms giving her unconditional and irrevocable consent for the Hon'ble Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

2. Insurer

The insurer has stated in their written submission (SCN) dated 18th October, 2012 that the LA expired on 1st March, 2003 at AIIMS, New Delhi, due to Cirrhosis of liver. The policy was revived on 7th February, 2002 by paying premiums for the dues from 12/1999 to 12/2001 (9 quarterly premiums). At the time of revival of the policy, the LA suppressed the material information

regarding his health in the instrument of effecting the revival. He was admitted to AIIMS, New Delhi, for the treatment of prolonged abdominal disorder, which resulted into cirrhosis of liver. He did not disclose this fact at the time of revival of the policy. As a result, they repudiated the claim but admitted the claim for paid-up value secured by the policy before revival of the same. They have also informed their decision of repudiation to the complainant vide their letter dated 30th October, 2004.

3. Hearing:

Both the parties were called for a personal hearing at our camp office, Patna on 28.11.2012. The complainant attended and submitted the facts and grounds of complaint. She stated that her husband died due to brain hemorrhage and not of liver cirrhosis, which was detected after the revival of the policy.

The representative of the insurance company attended the hearing and reiterated their stand as mentioned in the SCN and discussed above.

4. Decision

We have heard both the parties, considered their written submissions and examined the documents submitted to this forum. The complainant has approached this forum against repudiation of death claim on the ground of suppression of material facts at the time of revival of the policy. From the facts presented to this forum, we find that the duration of the policy was 5 years 2 months 3 days before the date of death and premium for 5 years 3 months were paid under the policy. The policy got lapsed due to non-payment of the premium and was revived on 07.02.2002 after payment of 2 years premium and submission of the declaration of good health (DGH). The DLA expired on 01.03.2003 at All India Institute of Medical Science (AIIMS). As per the Claim form 'B' dated 31.07.2003 certified by AIIMS authority, it is seen that primary cause of death was intracranial bleed and intracranial pressure and secondary cause was cirrhosis of liver. They have also certified that the LA was suffering from abdominal distention for the last 2 years before his death. Thus it is clear that LA has been suffering from abdominal problems which led to liver cirrhosis much prior to the date of revival of the policy. We also find from the hospital certificate that the DLA was under treatment of some private practitioner for his abdominal problem. The complainant has stated that liver cirrhosis was detected after revival of the policy but she could not produce any documentary evidence (prescriptions, test reports etc.) to establish her contention.

Her argument that the cause of death was not liver cirrhosis is also not tenable as the secondary cause of death was 'cirrhosis of liver' which is a long standing disease.

After careful evaluation of all the facts and circumstances of the case, we are of the opinion that suppression of material facts has been established by the insurer with strong documentary evidence. The doctrine of good faith is applicable to the insurance contract and any mis-declaration and concealment of material facts in the revival document are sufficient to void the contract. The decision of the insurance company to repudiate the claim is in order and the same is upheld. The competent authority has already admitted the claim for paid up value and considering the financial hardship of the widow, we allow the refund of the revival premium on purely ex-gratia basis. The insurer is directed to refund the revival premium within 15 days from the date of receipt of this order along with consent from the complainant.

The complaint is disposed off.

OFFICE OF THE INSURANCE OMBUDSMAN,
HINDUSTHAN BLDG. ANNEXE, 4TH FLOOR,
4, C.R. AVENUE, KOLKATA – 700 072

AWARD IN THE MATTER OF

Complaint No. : 470/21/001/L/06/2012-13

Nature of Complaint : Repudiation of death claim

Category under RPG : 12 (1) (b) Rules, 1998.

Policy No. : 416974674

Name & Address of complainant : Smt. Santa Mandal,
C/o Tapas Saha,
27/4, Bihari Mandal Road,
Haltu, Kolkata – 700 078.

Name & Address of Insurer : **Life Insurance Corporation of India,
K.M.D.O.– II, Jeevan Tara,
23A/44X, Diamond Harbour Road,
Kolkata – 700 053.**

Date of Hearing : **5th December, 2012.**

Date of Order : **14th December, 2012**

AWARD

This petition is filed by the complainant against Life Insurance Corporation of India, against repudiation of death claim under the policy no. 416974674 and the same has been admitted under Rules 12(1)(b) of the RPG Rules 1998.

Facts and Submissions:-

1. Complainant

The complainant has stated in his complaint dated 11.05.2012 that she is the wife of Deceased Life Assured (DLA) Late Madan Mondal and nominee of the policy bearing no.416974674. DLA had taken the said policy from Life Insurance Corporation of India, Park Circus Branch under table term 75-20 for sum assured of Rs.50,000/- on 28th March, 2007. The policy was in lapsed condition from 06/2007 to 12/2009 and was revived on 30th December, 2009 after paying an amount of Rs.11,076/- along with Declaration of Good Health (DGH) dated 30th December, 2009. Subsequently, DLA expired on 3rd January, 2010 (within 3 days from the date of revival) due to septicemia in a case of diabetes. After the death of Life Assured (LA), his wife (complainant) lodged claim for the above policy to the insurer but the claim was repudiated on the ground of suppression of material fact regarding illness of the LA at the time of reviving the policy. DLA was suffering from diabetes prior to sending DGH. The complainant approached the Zonal Claims Review Committee (ZCRC) but did not receive any positive response.

Being aggrieved, she approached this Forum seeking appropriate relief and submitted 'P' Forms giving her unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

2. Insurer

The insurer have stated in their Self-Contained Note (SCN) dated 30th July, 2012 that the policy bearing no.416974674 was taken by Late Madan Mondal on 28th March, 2007 and revived on 30th December, 2009. Life Assured (LA) expired on 3rd January, 2010. The duration of the policy was 2 years 9 months from the date of commencement and 3 days from the date of revival. DLA had developed infection of diabetic foot prior to revival of the policy and was treated at OPD of Garfa Primary Health Centre, Kalikapur, from 16th December, 2009. He was admitted in Chittaranjan National Medical College (CNMC) Hospital on 29th December, 2009. But he did not disclose the information of his illness when he signed the statement of health at the time of reviving the policy on 30th December, 2009. So, the death claim was repudiated by the insurer.

3. Hearing :

Both the parties were called for a personal hearing on 05.12.2012. The complainant attended and submitted the facts and grounds of her complaint. She did not dispute that her husband was hospitalized prior to the revival of the policy. However, she stated that she had paid the premium to the agent about a month back, but he did not deposit the same in time. She requested for compassionate consideration of her case considering that she is facing extreme financial hardship and has to look after two minor children.

4. Decision :

We have heard both the parties, considered the written submissions and examined the documents submitted to this forum. The complainant has approached this forum against the decision of LIC to repudiate the death claim of her husband on the ground of suppression of material facts. From the facts presented to this forum, we find that the DLA had taken the policy on 28.03.2007 and the policy was in lapsed condition from June, 2007 to December, 2009. The policy was revived on 30.12.2009 after paying the renewal premium of Rs.11076/- along with declaration of good health (DGH). The duration of the policy from the date of revival is only 3 days. It is seen from the claim form B-1 of Calcutta National Medical College and Hospital (CNMC) that the LA was hospitalized on 29.12.2009 and expired on 03.01.2010. The DGH for reviving the policy was signed on 30.12.2009 while he was in CNMC Hospital. From the hospital certificate, we find that the DLA was a known diabetic patient with swelling in both feet with history of chronic cough. The cause of death was septicemia in a case of diabetes. It is further seen from the emergency treatment card of Garfa Primary Health Centre dated 16.12.2009 that the DLA was having an infection of diabetic

foot prior to revival of the policy. Thus it is very clear that the DLA revived the policy by giving a false declaration in the DGH about his health at a time when he was admitted in a critical condition in CNMC Hospital and died within two days of admission. The principal of utmost good faith is applicable to the insurance contract and such mis-declaration about health condition and suppression of vital facts in the revival documents are adequate to void the contract. However, considering the extreme financial hardship of the widow, we allow refund of the revival premium of Rs.11076/- purely on ex-gratia basis. The insurance company is directed to refund the amount within 15 days of receiving this order along with the consent letter.

The complaint is disposed off.

OFFICE OF THE INSURANCE OMBUDSMAN,
HINDUSTHAN BLDG. ANNEXE, 4TH FLOOR,
4, C.R. AVENUE, KOLKATA – 700 072

AWARD IN THE MATTER OF

Complaint No.	:	446/21/002/L/06/2012-13
Nature of Complaint	:	Repudiation of death claim
Category under RPG	:	12 (1) (b) Rules 1998.
Policy No.	:	83001000203
Name & Address of the Complainant	:	Smt. Anjana Mondal, 19, Ashabari Sarani (West), Sec-2C, Bidhannagar, Durgapur, District: Burdwan, Pin: 713 212.
Name & Address of the Insurer	:	SBI Life Insurance Co. Ltd., Central Processing Centre,

Kapas Bhavan, Plot No.3A, Sector No.10,

CBD Belapur,

Navi Mumbai – 400 614.

Date of hearing : 02.01.2013

Date of Order : 3rd January, 2013

AWARD

This petition is filed by the complainant against SBI Life Insurance Co. Ltd., for non-receipt of death claim under the policy no. 83001000203 and the same has been admitted under Rules 12(1)(b) of the RPG Rules 1998.

Facts and Submissions

1. Complainant

The complainant has stated in her petition dated 13th June, 2012 that she is the wife of the Deceased Life Assured (DLA) Late Timir Baran Mondal who had purchased a Group Insurance Policy bearing no.83001000203 from SBI Life Insurance Co. Ltd. on 7th March, 2008 for the house building loan of Rs.4,29,000/- from State Bank of India. He paid the initial premium of Rs.10,976/-and expired on 18th June, 2010 due to chronic liver disease with hepato-renal syndrome. After the death of her husband, she submitted necessary papers to the insurer for settlement of the death claim, which was repudiated on grounds of suppression of material facts. Being aggrieved, she approached this Forum seeking appropriate relief and submitted 'P' Forms giving her unconditional and irrevocable consent for the Hon'ble Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

2. Insurer

The insurer has stated in their written submission (SCN) dated 27th July, 2012 that the DLA had availed a housing loan from State Bank of India and applied for SBI Housing Loan Group Insurance Scheme under Master Policy bearing no.83001000203 issued to State Bank of India through membership form dated 7th March, 2008. The Life Assured (LA) is reported to have died on 18th June, 2010 and the policy resulted in a claim in 2 years 3 months 11 days. It is mentioned in

point no.6 of benefit payable under the Master Policy that "in the event of the death of the Member at any time, after 45 days (except for Accidental Death), from the Date of Commencement of Risk, subject to the policy being in full force, but not later than the Member completing the age of 70 years, to pay the Grantees or any person so authorized by the Grantees the Sum Assured". The sum assured means the outstanding housing loan amount including interest in the name of the Member in the books of the Grantees and calculated as per the original EMI repayment schedule. The outstanding loan amount as on the date of death is Rs.3,59,651/-. Since it is a case of early claim, they conducted extensive investigation in the matter and found that the LA was suffering from cirrhosis of liver prior to the date of commencement of the policy i.e. 7th March, 2008. From the medical reports and fit certificate on various dates of Durgapur Steel Plant Hospital, they observed that the DLA was under continuous treatment at that hospital since 3rd June, 2006 and received treatment for a number of ailments viz. Non-Wilson's liver disease, hypertension and GI bleeding till the end of his life. These ailments have also been reflected from the leave records of different dates which he availed on medical ground starting from 17th August, 2007 to 31st October, 2009. From the certificate of CMC, Vellore, dated 20th October, 2009 it is also evident that the DLA was a known case of decompensated chronic liver disease and copper ascites and umbilical hernia. In the certificate dated 7th December, 2010 of Dr. Mukesh Gupta, New Delhi, it was mentioned that the DLA was apparently well till 2002 and subsequently, he had developed UGI bleeding, hematemesis and was admitted in CMC, Vellore. It is reflected from the death summary of Sir Ganga Ram Hospital, New Delhi that the DLA was a known case of CLD and was suffering from ascites, partial portal vein thrombosis with renal dysfunction. In view of the above documentary evidence, it is clearly established that the LA concealed the material facts regarding his health and suppressed his past medical history of cirrhosis of liver at the time of taking the insurance. So, their decision of repudiating the death claim is just and legal, which was also upheld by the Claims Review Committee headed by a retired High Court Judge. They have also cited a number of court cases in support of their decision.

3. Hearing :

Both the parties were called for a personal hearing on 02.01.2013. The complainant attended and submitted the facts and grounds of complaint she stated that her husband did not suffer from liver cirrhosis prior to taking the policy. He was suffering from chronic liver disease which does not fall under any critical disease as mentioned in the proposal form. Moreover, he was leading a normal life and attending to his office duties regularly. Therefore, there was no misstatement or concealment of material facts in the proposal form. She further stated that she has

a minor child and has no source of income. She has borrowed money to repay the loan and requested for compassionate consideration of her case.

The representative of the insurance company reiterated their stand as mentioned in the SCN and discussed above. She pointed out that the DLA did not declare that he was under regular treatment for liver disorder and was hospitalized during the last three years.

4. **Decision:**

We have heard both the parties, considered their written submissions and examined the documents submitted to this forum. The complainant has approached this forum against repudiation of her claim on the ground of suppression of material facts. From the facts presented to this forum, we find that the duration of the policy was 2 years, 3 months and 11 days before the death of the LA. The investigation conducted by the insurance company have revealed that the DLA was suffering from chronic liver disease, GI bleeding and hypertension since 2006 i.e. prior to obtaining the policy. He was under regular treatment in CMC, Vellore as also SAIL hospital, Durgapur. The insurance company has submitted the full medical record of the SAIL Hospital from which it is clear that he was under regular treatment for GI bleeding, chronic liver disease etc., much prior to the commencement of the policy. However, none of the deceases falls in the category of critical illness as defined in Col. No.7 of the proposal form relating to the "Good Health Declaration". The listed diseases include cancer, AIDS, heart disease, kidney/ liver failure, AIDS, Surgery of lungs/heart, paralysis, mental diseases etc. and none of these conditions existed in the case of the DLA. Hence, it cannot be said that DLA made a mis-declaration about his treatment for any critical illness. Moreover, he could perform his routine activities independently. The only incorrect statement made by DLA was that he was in sound health, which cannot be regarded as very significant omission considering that it was a general statement and not about any specific disease. During the last six months, the DLA was suffering from chronic liver disease, which cannot be equated with liver failure.

After careful consideration of all the facts and circumstances of the case, we are of the opinion that total denial of claim is not justified. Considering that the complainant was not suffering from any critical illness which is a major fact to be declared and also considering the acute financial hardship of the widow, we allow 50% of the outstanding amount of loan at the time

of death of LA purely on ex-gratia basis. The insurance company is directed to make the payment within 15 days of receiving this order along with consent letter from the complainant.

The complaint is partially allowed.

OFFICE OF THE INSURANCE OMBUDSMAN,
HINDUSTHAN BLDG. ANNEXE, 4TH FLOOR,
4, C.R. AVENUE, KOLKATA – 700 072

AWARD IN THE MATTER OF

Complaint No. : 525/21/001/L/07/2012-13

Nature of Complaint : Repudiation of death claim

Category under RPG : 12 (1) (b) Rules 1998.

Policy No. : 456237388

**Name & Address of
the Complainant** : Smt. Tanim Das,
W/o Late Sandip Kumar Das,
Netaji Palli, P.O. & P.S. Raiganj,
District: Uttar Dinajpur,
Pin:733 134.

**Name & Address of
the Insurer** : Life Insurance Corporation of India,
Jalpaiguri D.O., Jeevan Prakash,
P.O. Jalpaiguri – 735 101,
District: Jalpaiguri.

Date of hearing : 25th January, 2013.

Date of Order : 28th January, 2013

AWARD

This petition is filed by the complainant against Life Insurance Corporation of India against non-receipt of death claim under the policy no. 456237388 and the same has been admitted under Rules 12(1)(b) of the RPG Rules 1998.

Facts and Submissions

1. Complainant

The complainant is the wife of the Deceased Life Assured (DLA) Late Sandip Kr. Das and nominee of the policy bearing nos.456239529 and 456237388. DLA was an employee of Bangiya Gramin Vikash Bank and had taken the above two policies from LIC/Raiganj Branch under Jalpaiguri Division Office on 28th November, 2009 and 1st December, 2009 respectively. The complainant has stated in her petition dated 2nd July, 2012 that her husband (DLA) had submitted two proposals for insurance on 14th December, 2009 and 17th December, 2009 for taking two policies bearing nos. 456239529 and 456237388 under T/T 165 – 16 after paying yearly premium of Rs.12,010/- each. Subsequently, one proposal was accepted under policy bearing no.456237388 at Branch Office with date of commencement as 1st December, 2009 and the second proposal under policy bearing no.456239529 was accepted by Divisional Office with date of commencement as 28th November, 2009. Life Assured (LA) expired on 16th August, 2011 due to acute myocardial infarction. The complainant submitted the death intimation and the relevant medical documents to the insurer for settling the claim. Death claim for policy bearing no.456239529 was paid by the insurer. But the claim for policy bearing no.456237388 was repudiated on the ground that LA had not disclosed the details of the policy bearing no.456239529 for sum assured of Rs.2,50,000/-. If the previous policy had been disclosed by the LA, the proposal would have been accepted only with the special reports like ECG, BST etc. As the assessment of the risk was not properly done due to suppression of previous policy details, the claim was repudiated by the insurer. The complainant appealed to Zonal Claims Review Committee (ZCRC) but the repudiation decision was upheld by the competent authority also. Being aggrieved, she approached this Forum seeking justice and submitted "P" Forms giving her unconditional and irrevocable consent for the Hon'ble Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

2. Insurer

The insurer has submitted their written statement dated 4th August, 2012 confirming the fact that LA (Sandip Kumar Das) took policy bearing no.456237388 on 1st December, 2009 for sum assured of Rs.2,50,000/- and expired on 16th August, 2011 at 7.45 A.M. due to cardio respiratory failure in case of myocardial infarction at his own residence. At the time of scrutiny of the documents, the insurer found that when DLA had proposed for policy bearing no.456237388, he had another policy bearing no.456239529 on his own life for sum assured of Rs.2,50,000/-. He did not disclose this fact in his proposal for the above policy. The insurer stated that DLA deliberately made mis-statement and withheld correct information regarding his previous insurance at the time of effecting the above insurance and hence in terms of the policy contract, the insurer decided to repudiate the entire claim under the policy bearing no.456237388. Had the previous policy bearing no.456239529 on the life of DLA was mentioned at the time of effecting the above policy, special reports viz. Rest ECG and FBS would have been called for and the underwriting decision of the above policy could have been different.

3. Hearing :

Both the parties were called for a personal hearing on 25.01.2013. The complainant attended with her father and submitted the facts and grounds of complaint. She stated that her husband did not have any heart problem and died at home due to sudden stroke. She further stated that her husband was under medication for hypertension for 2 to 3 years.

The representative of the insurance company on the other hand reiterated their stand as mentioned in the SCN and discussed above. He clarified that as per the current underwriting norms, the LA being a Central Government employee was eligible to get insurance of Rs.4.00 lakhs without any special reports. In his case, the total sum assured was Rs.5.00 lakhs which requires Rest ECG and FBS which were not submitted with the proposal.

4. Decision :

We have heard both the parties, considered their written submissions and verified the documents submitted to this forum. The complainant has approached this forum against repudiation of the death claim of her husband under policy no.456239529 on the ground of non-disclosure of other proposals submitted by him. From the facts presented to this forum, we find

that DLA had taken two policies bearing nos. 456239529 & 456237388 on 28.11.2009 & 01.12.2009 respectively. Proposal forms for both the policies were submitted on 14.12.2009 & 17.12.2009 respectively for sum assured of Rs.2.50 lakhs each. As per the underwriting guidelines of LIC, the LA, a Govt. employee and aged 47yrs was eligible to get insurance cover up to Rs.4.00 lakhs (SUC) without any special medical report. However, in this case, the total sum under consideration comes to Rs.5.00 lakhs and due to which it required special medical reports like Rest ECG & FBS. Due to non-disclosure of the first proposal in reply to question no. 7 in the proposal form, i.e. "Is your life now being proposed for another assurance?" the second policy was issued without any special report being less than 4 lakhs. The death claim under the first policy no.456239529 has already been settled. The 2nd policy bearing no.456237388 was repudiated for non-disclosure in question no. 7 of the proposal form. Considering that LA was suffering from HTN for last 2-3 years, the necessity of special medical report cannot be overlooked. Therefore, Insurer's decision to repudiate the death claim is in order and the same is upheld. However, we find that the LA could have obtained a policy cover upto Rs.4.00 lakhs without any special reports. Also considering the present financial condition of the widow we allow some relief by ex=gratia payment of Rs.50,000/- to the complainant. The insurance company is directed to make the payment within 15 days of receiving this order along with consent letter.

The complaint is disposed off.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI/21-001-528/2011-12

Honey Jayantha Kumar

Vs

LIC of India

AWARD No. IO/KCH/LI/071/2012-13 dated 19.10.2012

The husband of the complainant had taken a policy from the Respondent-Insurer on 27.08.2010 for sum assured of Rs. 5 lacs. He left home for night duty on 21.03.2011 and on 23.03.2011 his dead body was found in the backwaters within the jurisdiction of Poochackal Police Station. The claim submitted by the complainant who is the nominee under the policy, was rejected by the insurer on the ground that her husband committed suicide within one year of the policy. Therefore, the complaint.

The complainant submitted that the death was due to accident and there was no chance for committing suicide. The post mortem report reveals the cause of death due to drowning. The repudiation of the claim cannot be justified.

The insurer submitted that the police records would reveal that the life assured committed suicide. As the suicide is within one year of the policy , the policy has become void and as such, the complainant is not entitled to any benefit under the policy.

Decision:-Whether a person falls into a lake or jumps into a lake, death occurs due to drowning. In both the cases, the post mortem features will be identical.In such a situation, we have to advert to the other attending circumstances. In the police Inquest report it is concluded that the deceased had jumped into backwaters on the night of 21.03.2011 so as to commit suicide. So the apparent cause of death as per Inquest report is suicide.In the police final report submitted before the court of the Sub Divisional Magistrate, it is concluded that the deceased had jumped into the backwaters so as to commit suicide.The complainant had failed to place any valid evidence to doubt the veracity or acceptability of the final report. By applying the Rule of preponderance of probability, the conclusion that can be arrived at is that in all probability, the deceased had committed suicide by jumping into backwaters. So, by virtue of clause 6 of the policy conditions, the policy has become void. So, the repudiation of the claim is legal and in order. In the result, the complaint is dismissed. No cost.

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OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI /21-001-591/2011-12

Lathakumari

Vs

LIC of India

AWARD No. IO/KCH/LI/082/2012-13 dated 28.11.2012

The deceased husband of the complainant had taken 2 policies from the Respondent-Insurer for Rs. 50000/- and Rs. 1 lac. The insured was working as an LIC agent and he died on 30.9.2010. The death claim was repudiated by the insurer. The repudiation of the claim is not legal and proper.

The insurer submitted that the insured died due to Chronic Liver Disease at Amrita Hospital, Kochi. He had been taking treatment for Seizure disorder, Liver Cirrhosis, Bacterial Peritonitis and Hepato Renal Syndrome for the last 2 years prior to his death. On account of suppression of material facts relating to adverse pre-proposal health condition, the policies were vitiated and therefore, the claim was repudiated.

Decision:- In the proposal forms submitted by the life insured, in the personal history portion , nothing is mentioned regarding any adverse health condition. In the certificate of Hospital treatment and medical attendants certificate from Amrita Hospital, it is clearly mentioned that the deceased was under treatment for Liver problems in Century Hospital. Cause of death is noted as Chronic Liver Disease. In the discharge summary issued from Century Hospital, it is clearly mentioned that the deceased was hospitalized there for Liver Cirrhosis with fluid overload.in July, 2009.. He had undergone continuous treatment at Century Hospital prior to the submission of the proposal form.So, it can be inferred that the non-disclosure of pre-proposal ailments and hospitalization were made with knowledge of the insured. This is not a case where Section 45 of the Insurance Act is attracted. Suppression of material fact with knowledge and intention would amount to fraud. Fraud would vitiate the Contract of Insurance. So, the repudiation of the claim by the insurer is legal and proper. In the result, the complaint is dismissed. No cost.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI /21-001-583/2011-12

Shoba Raj

Vs

LIC of India

AWARD No. IO/KCH/LI/084/2012-13 dated 29.11.2012

The husband of the complainant had taken a policy from the Respondent-Insurer in 2001.. The policy lapsed in 2008 due to non-payment of premium. The policy was revived in 2010.While the policy was lapsed , he was hospitalized for 2 days in Medical Trust Hospital.. He died at Medical Trust Hospital on 14.07.2010. The insurer was ready to pay only the paid-up value . Therefore, the complaint.

The complainant submitted that there was no intentional suppression of material facts in the Declaration of Good Health.

The insurer submitted that the policy was revived on 22.01.2010 based on the DGH submitted by the deceased Life assured. He had suppressed material facts relating to his health status in the DGH. He had suffered heart ailment in 2005 and had undergone treatment for the same. On account of non-disclosure of actual health status in DGH, the revival of the policy is vitiated. So, only paid-up value is payable.

Decision:- From the discharge summary of 2005, it is evident that the deceased was earlier admitted in the hospital on 6.11.2005 and was discharged on 8.11.2005. The final diagnosis is IHD-Old Inferior Wall Myocardial Infarction- Unstable angina, Systemic Hypertension, Dyslipidemia, Type 2 Diabetes Mellitus. ECG was also taken. In the death summary issued from the same hospital in 2010, there is mention that he had Anterior Wall Myocardial Infarction in 2005. Discharge summary also reveals that he was advised continuous medication . The deceased can not plead ignorance of the ailments for which he was under continuous medication. The insurer revived the policy on the basis of the DGH submitted by the life assured. Even as per the declaration made by the DLA, if the declaration is found to be false, the Contract of Insurance will be rendered null and void. The revival of the policy is vitiated in the instant case. So, the nominee is not entitled to the death benefits under the policy. Only eligible amount will be the paid-up value and bonus prior to revival of the policy. In the result, the complaint is dismissed. No cost.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI/21-007-558/2011-12

Sudhiprabha P T

Vs

Max Life Insurance Co. Ltd

AWARD No. IO/KCH/LI/101/2012-13 dated 27.12.2012

The complainant is the widow of Late Sri. Jaideep who had taken 3 policies from the Respondent-Insurer in 2007. Three annual premiums were paid in the 1st and 3rd policy and 2 premiums in the 2nd one in the name of his daughter. Death benefits under the 1st and 3rd policies were denied by the insurer stating that the life assured committed suicide within 12 months from the date of revival of policies. Therefore, the complaint.

The complainant submitted that on representation the insurer paid Rs. 5 lacs as ex-gratia under the 3rd policy, but only fund value was given in the 1st policy. As both the policies are of similar type, insurer can not take different stands . Also she is entitled to receive the surrender value under the 2nd policy.

The insurer submitted that as the suicide was within 12 months from the date of revival, clause 23 of the policy conditions is attracted and death benefits are not payable . But Sum assured was paid under 3rd policy on ex-gratia basis purely on humanitarian consideration and not as legal entitlement. So, the complainant can not claim S.A. under the 1st policy as a right.

Decision:- The fact that the life assured committed suicide within 12 months from the date of revival is not disputed. The term ex-gratia means a matter of favour or grace. The act of kindness on the part of the insurer does not create any right or lay down any precedent in favour of the complainant. Merely because ex-gratia payment was made in the 3rd policy, doesnot give any legal right to the complainant to claim the same on the 1st policy also. It is seen that the claim on the 1st policy is hit by suicide clause 23 and the complainant is entitled to only the fund value.

The 2nd policy was terminated as per clause 15.2 (c) of the policy conditions and the complainant is entitled to Guaranteed surrender value if any as per clause 1.1 (f) . Here, as the person who committed suicide is not the life assured, Fund value as per clause 23 can not be given. In the result

- 1) The complainant is not entitled to any further relief in relation to the 1st policy.
- 2) The insurer is ordered to pay Guaranteed surrender value which should not be less than the 1st year ATP (Rs. 45000/-) in case of the 2nd policy and deposit it in the name of the minor life assured

No cost.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI/21-001-675/2011-12

Safeela Beevi

Vs

L I C of India

AWARD No. IO/KCH/LI/105/2012-13 dated 08.01.2013

The deceased husband of the complainant had taken a Jeevan Sanchay Policy from the Respondent-Insurer in 2003 for a sum assured of Rs. 50000/- . The policy was lapsed and revived several times. The life assured died on 21.06.2009 and the claim was repudiated by the insurer

stating that the DLA had not disclosed his actual health status at the time of the revival. Therefore, the complaint.

The complainant submitted that her husband was not suffering from any ailment at the time of the proposal as well as revival of the policy. The repudiation is illegal.

The insurer submitted that at the time of revival of the policy on 4.01.2008, the deceased was undergoing haemodialysis and also suffering from Diabetes Mellitus Type II for a long time. These facts were not shown in the DGH submitted for revival. The issuance of the policy and revival are vitiated on account of suppression of material facts, Only paid-up value is payable.

Decision:- As the policy had commenced on 8.8.2003, section 45 of the Insurance Act is attracted. So, the burden to prove that there is intentional suppression of material facts in the proposal form as well as in the revival request is on the insurer. Insurer is relying solely on the medical reports for repudiation of the claim. It is seen that the actual date DGH based on which revival was effected is 4.12.2007 Discharge card from Medical College Hospital shows the diagnosis as Type II Diabetes Mellitus, Diabetic Nephropathy and Diabetic Retinopathy. Here it is mentioned that he was suffering from Diabetes Mellitus Type II for the past 27 years and was on insulin. In the Bishop Benziger Hospital report, it is shown that he was under dialysis from 27.12.2007. The solitary isolated statement regarding treatment for Diabetes Mellitus seen in the Discharge Card is not supported by any medical evidence. There is no evidence that the DLA was on haemodialysis prior to 27.12.2007. The insurer had failed to adduce evidence regarding suppression of material facts. So, the repudiation of the claim is unsustainable. . In the result, an award is passed directing the insurer to pay policy monies as per Clause 4.3 of the policy conditions to the complainant within the prescribed period failing which, the amount shall carry interest @ 9% per annum from the date of filing of the complaint till payment is effected. No cost.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI/21-001-660/2012-13

S Manju

Vs

LIC of India

AWARD No. IO/KCH/LI/107/2012-13 dated 15.01.2013

The husband of the complainant had taken 4 policies from the Respondent-Insurer. He died on 22.2.2011 in a motor vehicle accident. The insurer vide their letter dt. 5.7.2011 informed that Double Accident Benefit is not payable under the policies as the Deceased Life Assured is the accused in the crime registered in connection with the accident.. There was no communication between the complainant and the insurer thereafter. He had preferred the present complaint before this Forum on 29.11.2012.

Decision:- As per Rule 13 (3) (b) of RPG Rules, as the present complaint had been filed beyond one year from 5.08.2011, the complaint is barred by limitation. The complaint is therefore, not maintainable. In the result, the complaint is dismissed as barred by limitation. No cost.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI/21-001-690/2011-12

Smt. Tinsu

Vs

LIC of India

AWARD No. IO/KCH/LI/109/2012-13 dated 15.01.2013

The deceased husband of the complainant had taken two policies from the Respondent-Insurer. The LA died in an accident and the claim was repudiated by the insurer on the ground of suppression of material facts at the time of submission of the proposal. Therefore, the complaint.

The complainant submitted that her husband died due to accidental injuries. There was no suppression of material facts. The DGH for revival was prior to the accident. She is entitled to receive the benefits under both the policies.

The insurer submitted that the DLA had undergone treatment at KMC Hospital, Mangalore in 2007 for Hypertension and Diabetes Mellitus. This was not disclosed while submitting the proposal form. Also at the time of revival of the policy, DLA was in hospital and the same was not disclosed. The repudiation is legal and proper.

Decision:- This is not a case where Section 45 of the Insurance Act is attracted. There is evidence that the deceased had suffered from DM and Hypertension prior to the submission of the proposal. The term material shall mean and include all important, essential and relevant information in the context of underwriting the risk to be covered by the insurer. Also there is no evidence of treatment for DM and Hypertension after 31.7.2007 or immediately prior to applying for the policies in 2009. The medical evidence reveal the cause of death as injuries suffered in the accident. So, the non-disclosure alleged by the insurer assumes no importance in this case. If the non-disclosure does not relate to material facts, the policies are not vitiated. There is no contra evidence from the side of the insurer that the DGH was not executed on 8.6.2010. There is no convincing and acceptable evidence regarding suppression of material facts in DGH. So the repudiation of the claims are not sustainable. In the result, an award is passed directing the insurer to pay Death benefits and Accident Benefits provided under the 1st policy and 2nd policy to the complainant within the prescribed period, failing which, the amount shall carry interest at 9% per annum from the date of filing of the complaint till payment is effected. No cost.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI/21-001-711/2011-12

Vasumathi

Vs

LIC of India

AWARD No. IO/KCH/LI/112/2012-13 dated 23.01.2013

The husband of the complainant had taken New Bima Gold Policy from the Respondent-Insurer. He died on 14.06.2011 at Dubai. Without knowing this premium was paid on 15.06.2011 for renewal of the policy. Death claim was rejected by the insurer stating that the policy was in lapsed condition as on the date of death. Therefore, the complaint.

The complainant submitted that the remittance of the premium done without the knowledge of the death of her husband. The rejection of the claim is without any valid reasons.

The insurer submitted that the policy was not in force at the time of death of the life assured. As the premium was paid after the death of the life assured, there is no valid revival of the policy. The repudiation of the claim is valid and proper.

Decision:-Here the revival premium was paid after the death of the life assured. The policy was in lapsed status when the death of the life assured occurred. Clause 3 of the policy conditions states that policy can be revived only during the life time of the life assured. This aspect was considered by AP High Court in Ahmedunnisa Begum Vs LIC of India, AIR 1981 AP 50. It was held that a lapsed policy on life does not become an enforceable contract until revived and if death takes place before revival, no rights arise. Revival is not automatic nor a right. Revival gives rise to a new contract and there is no revival after death. Here the policy had not acquired paid-up value as per Clause 4 of the policy conditions , as only one year premium was paid. The complainant is entitled to get back the revival premium paid only. . In the result, an award is passed directing the insurer

to refund Rs 5935.20 to the complainant within the prescribed period failing which, the amount shall carry interest @ 9% per annum from the date of award till payment is effected. No cost.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI/21-001-799/2011-12

Jaisy Alex

Vs

LIC of India

AWARD No. IO/KCH/LI/127/2012-13 dated 07.03.2013

The complainant's husband had taken a policy from the Respondent-Insurer. He died and the death claim submitted was repudiated by the insurer. Therefore, the complaint.

The complainant submitted that the policy was taken in 2008 and at that time her husband was not suffering from any serious ailment. No material fact was knowingly suppressed by the deceased life assured. The repudiation is not legal and proper.

The insurer submitted that the deceased life assured had Hepatocellular Carcinoma since Nov. 2007 and that fact was not disclosed by him in the proposal form. The suppression of material facts had adversely affected the underwriting and the policy was vitiated. The repudiation is legal and proper.

Decision:- The medical evidence available is to the effect that atleast from Nov. 2007, the deceased life assured had been suffering from Hepatocellular Carcinoma and Diabetes. Admittedly, he had not disclosed these facts in the proposal form, inspite of definite questions asked in this regard.

There can not be a contention from the side of the complainant that the deceased life assured had no knowledge about the ailment he suffered. The medical evidence would reveal that he was under continuous treatment. Good Faith is an added feature of a Contract of Insurance. All important, essential and relevant information in the context of guiding the insurer to decide whether to undertake the risk or not is a material fact. Non-disclosure of a material fact in the proposal form would amount to fraud and fraud would vitiate the contract of insurance. In these circumstances, the repudiation of the claim is legal and proper. Here 3 year's premium was not paid and so the policy did not acquire paid-up value though a total of Rs. 40320/- was paid by the deceased. It is very harsh to lose the entire amount paid towards premium. It is to deal with such situations, Rule 18 of RPG Rules empower the Insurance Ombudsman to provide ex-gratia payment to the insured in appropriate cases. In the result, to meet the ends of justice, the complaint is disposed of with a direction to the Respondent-Insurer to pay Rs. 12000/- as ex-gratia to the complainant within the prescribed period, failing which the amount shall carry interest @ 9% per annum from the date of award till payment is effected. No cost.

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No. IO/KCH/LI/21-001-825/2011-12

S Suresh Kumar

Vs

LIC of India

AWARD No. IO/KCH/LI/128/2012-13 dated 07.03.2013

The deceased wife of the complainant had taken New Bima Gold Policy from the Respondent-Insurer. She died on 11.02.2011 and the death claim was repudiated by the insurer. Therefore, the complaint.

The complainant submitted that he is the nominee under the policy and the personal statement of health submitted for revival of the policy was signed without understanding it's contents. He is entitled to the insurance amount.

The insurer submitted that the policy was revived on 17.09.2010 on the strength of a personal statement regarding health dated 16.09.2010. She died on 11.02.2011 due to Spindle cell Carcinoma. Prior to revival of the policy, she had underwent treatment for Spindle cell Carcinoma. This was suppressed by her in the personal statement of health and hence the claim was repudiated.

Decision: -There is definite evidence in this case that prior to the revival of the policy on 17.09.2010, the deceased life assured was diagnosed for carcinoma and she had undergone right and left radical nephrectomy. These facts were not disclosed by her in the personal statement regarding health submitted by her for the revival of the policy. The insurer , in good faith, accepted the request made by the life assured for revival and revived the policy. Now it has turned out that the contents of the personal statement are false. While entering into a contract, if false statement is made so as to induce the other party to enter into that contract, it would amount to fraud. Fraud would vitiate the contract. In view of these facts and based on legal principles and the medical evidence available, it can be found that the revival of the policy is vitiated. When revival is vitiated, what remains is the lapsed policy. Death Benefit is not available in a lapsed policy. Therefore, the repudiation of the claim is sustainable. In the result, the complaint is dismissed. No cost.
