

## **LIFE INSURANCE---DEATH CLAIMS**

### **AHMEDABAD**

#### **LIFE INSURANCE POLICIES**

##### **Death Claims**

**Case No. AHD: L-029-1314-0027**

**Smt. Zankhana N. Parekh Vs. LIC of India**

**Award dated 8<sup>th</sup> October 2013**

##### **Repudiation of Death Claim**

**Death claim lodged by the complainant for her deceased husband was repudiated by the Respondent on the ground of non disclosure of material facts of his health.**

**Medical report shows, Cause of death was Acute Cardio-respiratory arrest with Cirrhosis of liver with acute renal failure due to alcoholism. Duration of policy is 1 year, 11 months and 4 days & S.A Rs.5.00 Lacs. Another 5 policies totaling Rs.11,50,000/- were settled by the Respondent.**

**Looking to all Respondent's decision is upheld and complaint dismissed.**

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**Case No.21-001-0026-14**

**Smt. Ratanben J. Dabhi Vs. LIC of India**

**Award dated 9<sup>th</sup> October 2013**

##### **Repudiation of Death Claim**

**Death claim lodged by the complainant for her deceased husband was repudiated by the Respondent on the ground of non disclosure of material facts of his health.**

**The policy incepted in 2007, which was lapsed in 2008. Thereafter policy revived in October 2009. Treatment papers shows DLA was first consulted in May 2009 when DLA was suffering Carcinoma Breast Cancer but not disclosed in the revival form. Date of death was 27<sup>th</sup> November 2011, duration of policy from the date of revival was 2 years, 1 month and 18 days.**

**Looking to all Respondent's decision is upheld and complaint dismissed.**

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**Case No.AHD-L-021-1314:0065**

**Shri Rajubhai K Badhreshiya Vs. ICICI Prudential Life Ins. Co. Ltd.**

**Award dated 15<sup>th</sup> October 2013**

##### **Repudiation of Death Claim**

**Complainant's mother was covered two policies and expired the Life Assured within 6 months from the receipt of policy hence death claim repudiated by the Respondent on account of deceased having withheld material information regarding her health.**

**As per hospital paper proves the DLA was suffering HTN & DM-II since 4 to 5 years and treatment taken on regular basis.**

**S.A Rs.5.00 Lacs in each policy, Respondent offered premium paid amount on ex-gratia basis which was not accepted by the complainant.**

**On referring the documents of both the parties, the Forum also denied the Death Claim thus complaint dismissed.**

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**Case No.AHD-L-004-1314-0081**

**Smt. Suryaben R. Chauhan Vs. Aviva Life Insurance Co. Ltd.**

**Award dated 15<sup>th</sup> November 2013**

**Repudiation of Death Claim**

**Complainant's husband took Life Insurance Policy for S.A.Rs.4.30 Lacs on 1-10-2011 from the Respondent and Life Assured expired on 20-11-2011 i.e. within two months from the date of commencement of the policy.**

**Death Claim lodged by the Complainant was repudiated by the Respondent on the ground of non-disclosure of material facts.**

**Respondent proved with evidence that the DLA had a TB patient since 2002 and also HIV positive.**

**In view of these the Forum also denied the claim hence complaint dismissed.**

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**Case No.AHD-L-004-1314-0100**

**Shri Almalji Sonaji Rathod Vs. Aviva Life Insurance Co. Ltd.**

**Award dated 29<sup>th</sup> November 2013**

**Repudiation of Death Claim**

**Complainant's brother was covered a Life Insurance Policy with the Respondent for S.A Rs.15,00,000/- and annual premium of Rs.8,250/- for 25 years. Insured died within four months from the inception of policy due to heart attack at the age of 31 years and death claim lodged by the Complainant was repudiated by the Respondent giving reason that suppression of material facts.**

**On scrutiny of documents of both the parties, the Forum also denied the complainant's request for death claim.**

**In the result complaint fails to succeed.**

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**Case No. 21-001-0022-12L**

**Smt. Jyoti S. Contractor Vs. LIC of India**

**Award dated 6<sup>th</sup> December 2013**

**Repudiation of Death Claim**

**Complainant's deceased husband was covered two life policies and DLA died due to Cardio Respiratory Arrest due to end stage of Renal Failure on 10-06-2007. Death claim repudiated by Respondent on 7-02-2008 on the ground of suppression of material facts. Policies incepted in July 2005 and both the policies were in lapsed condition since July**

2006 and revived on 6<sup>th</sup> Feb. 2007. Life Assured expired within 4 months from the date of revival.

Further Claim repudiated in the year of 2008 and complaint lodged with this Forum in 2013.

Thus complaint dismissed.

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Case No.AHD-L-029-1314-0119

Smt. Kamalaben R. Parmar Vs. LIC of India

Award dated 18<sup>th</sup> December 2013

Repudiation of Death Claim

Late Mr.Rameshbhai B. Parmar has taken a Jeevan Saral Policy for S.A of Rs.1,25,000/- and risk covered from 09-09-2009. The DLA died on 17-02-2012 due to T.B and death claim lodged by the Complainant was repudiated by the Respondent on the basis of non-disclosure of material facts regarding his ill health.

Respondent proved with various evidences that the DLA was suffering Alcoholic Liver disease prior to taking policy and also produced medical leave records from his employer.

Thus complaint dismissed.

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Case No.AHD-L-041-1314-0171

Shri Rajubhai R. Karavadra Vs. SBI Life Insurance Co. Ltd.

Award dated 24<sup>th</sup> January 2014

Repudiation of Death Claim

Complainant's father had a policy holder from the Insurer for S.A of Rs.6.00 Lacs and L.A expired due to Heart attack within 1 month and 17 days from the receipt of policy hence Respondent repudiated the Death claim on the basis of suppression of material facts.

DLA was suffering Liver Cirrhosis with portal hypertension since long which was not disclosed in the proposal.

DLA was covered Life Insurance Policies with other two companies they have already paid full payment by mistake. Total Insurance was Rs.13,50,000/- in all three companies and deceased was not engaged in any occupation.

Looking to all these the Forum also denied his claim thus complaint dismissed.

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**Case No.AHD-L-029-1314-196**  
**Shri Sanjay Singh Jagdish Vs. LIC of India**  
**Award dated 29<sup>th</sup> January 2014**  
**Repudiation of Death claim**

**Complainant's step mother was covered a Life Insurance Policy for S.A. of Rs.62,500/- in 10<sup>th</sup> May 2010 and mode of payment was for Rs.820/-per quarter. She was died on 23<sup>rd</sup> August 2010 due to Cardio Respiratory arrest.**

**Complainant demanded full claim amount was repudiated by the Respondent under fraudulent intention withholding correct information.**

**On scrutiny of available documents of both the parties, the Forum also denied his claim thus complaint dismissed.**

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**Case No.AHD-L-021-1314-0198**  
**Smt. Puriben M Parmar Vs. ICICI Prudential Life Insurance Co. Ltd.**  
**Award dated 4<sup>th</sup> February 2014**  
**Repudiation of Death Claim**

**Complainant's deceased husband was taken a Single Premium policy for S.A of Rs.5.00 Lacs and paid Rs.1.00 Lac in August 2011 and Life Assured expired on 2<sup>nd</sup> November 2011 due to Cancer hence requested to refund the premium paid amount which was refused by the Respondent on the ground of suppression of material facts.**

**According to the family back ground of the L.A, the Forum recommended to pay the premium paid amount on sympathetic ground.**

**Thus complaint partially succeeds.**

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**Case No.AHD-L-036-1314-0128 & 129**  
**Mr. Laxmansang A Darbar Vs. Reliance Life Insurance Co. Ltd.**  
**Award dated 3<sup>rd</sup> March 2014**  
**Repudiation of Death Claims**

**Complainant's mother covered two policies for S.I Rs.4.00 Lacs and Rs.1.18 Lacs commenced on 14-09-2012 and 07-11-2012 respectively and L.A died on 03-01-2013. Death claims lodged by the complainant was repudiated by the Respondent on account of having withheld correct information regarding health at the time of affecting the assurance and gave false answers in the proposal forms.**

**On scrutiny of available documents, the Forum also denied the claim hence complaint dismissed.**

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**CHANDIGARH**

***CASE NO. Bajaj/2422/Pune/Gurgaon/24/13***

**Shri Robin Rana 2422 Vs Bajaj Allianz Life Insurance Co. Ltd**

**Order dated 08.11.2013**

**Death Claim**

**Facts:** Shri Robin Rana filed a complaint that his father late Shri Avinash Kumar purchased a policy bearing number 0172725492. After the death of his father he submitted claim papers, but the company repudiated the claim on the ground of non-disclosure of material facts about pre-existing disease.

**Findings:** The insurer clarified the position stating that the life assured did not disclose information about his adverse health history. And he was suffering from Type II Diabetes case for 15 years and hypertension for 3 years. 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 assured was medically examined in detail by the company's Dr. Chadha. Moreover, did not produce any treatment details prior to insurance. In view of the factual position, an award is passed to settle the death claim.

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**CASE NO. CHD-L-001-1314-0001**

**Smt. Karuna Devi Vs Life Insurance Corporation Of India**

**Order dated 03.02.2014**

**Death Claim**

**Facts:** Smt. Karuna Devi filed a complaint about a non-payment of a death claim of a policy bearing number 153377947 of late Ms Champa Devi due to non-disclosure of material facts of pre-existing disease.

**Findings:** The insurer in its reply clarified that a policy was issued on 07.11.2009 for a sum of Rs.2lacs. The policyholder died of a breast cancer on 04.10.2012 she was suffering from the disease prior to insurance which was not disclosed while proposing for insurance. Thus the claim was repudiated.

**Decision:** Held that there is no deficiency in service on the part of the company as it denied a claim, on the basis of a non disclosure of a pre existing disease. Infact, Late Ms. Champa Devi was suffering from a disease of a breast cancer prior to a date of granting insurance cover as per records of Indira Gandhi Medical College & Hospital Shimla and her employer. Keeping in view, the complaint is dismissed.

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**CASE NO. CHD-L-021-1314-0629**

**Shri Shamsheer Singh Vs ICICI Prudential Life Ins. Co. Ltd**

**Order dated 13.03.2014**

**Death Claim**

**Facts:** Shri Shamsheer Singh had filed a complaint challenging the order of repudiation of claim under policy numbers 15987485 of his wife, Smt. Jasvir Kaur on the ground of non-disclosure of material facts while effecting the policy.

**Findings:** The insurer agreed that the life assured had taken "ICICI Pru Pure Protect Classic" plan for a sum assured of Rs.15 lacs on the basis of the information furnished in a signed proposal form. But she did not disclose the material information of her earlier insurance amounting to Rs.40 lacs from other Insurance Company. Shri Shamsheer Singh is himself an Insurance Advisor, thus the claim was rejected.

**Decision:** Taking into consideration all the records available in the file and also the contentions of the parties concerned, the Ombudsman ruled that the life assured was accountable for all the answers and the declaration in the proposal papers, if the declaration proves to be wrong, the contract become null and void and all the benefits will be forfeited. Infact, Late Smt. Jasvir Kaur being a graduate was not disclosed by the nominee, Shri Shamsheer Singh Insurance Advisor was aware of the nuances of case. Keeping in view this factual position, the complaint is dismissed.

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**CHENNAI**

**Award No. IO(CHN) L OO2/ 2013-14 Dated 07/06/2013**

**Complaint No. IO (CHN) / 21.01.2801 /2012-13**

**Smt.D.Kamatchi Vs. LIC of India, Chennai DO I**

The complainant's husband, Sri S. Dharmalingam, had taken a Jeevan Saral policy with profits bearing no 718854827 for sum assured of Rs 1,25,000/- with date of commencement (back dated to) 28/09/2009 (date of proposal- 25/10/2009) under SSS mode with premium of Rs 510/- p.m. from LIC of India , Chennai DO I. The life assured died on 28/01/2010 within 3 months 3 days from the date of proposal.

The complainant, Smt D. Kamatchi, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured, who died due to Pulmonary Tuberculosis, had Chronic Bronchitis in the past and was absent from duty for two weeks for this reason. These facts known to deceased life assured (DLA) were not disclosed in the proposal. The complainant contended that her husband died on 28/01/2010 at his residence due to heart attack. She said that her husband was never admitted in the hospital as in-patient before and/or after taking this policy. She admitted that her husband was a regular smoker and an occasional drinker. She also admitted that her husband was having occasional coughing also.

A personal hearing of both the parties was held on 27/05/2013.

In the certificate dated 28/01/2010 issued by Dr. F. A. Royan, General Practitioner, Chennai-16, cause of death is stated as Pulmonary Tuberculosis. As per the certificate dated 28/09/2009 issued by Dr. A. Manickam, M.S., Authorised Medical Attendant for Central Govt. Employees, Chennai , DLA was suffering from chronic bronchitis and was advised rest for two weeks. As per leave particulars furnished by the employer in claim form E, DLA had availed 4 spells of leave on medical grounds (chronic bronchitis, Pyrexia, acute colic ) for more than a week prior to the date of proposal-. Pre-proposal illness of the DLA and its non-disclosure have been clearly established. The Insurer's decision to repudiate the claim is fully justified. . The complaint was dismissed.

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**CHENNAI**

**AWARD No: IO (CHN) L- 003 / 2013-14 Dated 10/06/2013**

**Complaint No. IO (CHN) / 21.009. 3064 /2012-13**

**A.RAVINDAR Vs Bajaj Allianz Life Insurance Company Limited.**

The complainant's son , Sri Venkatesh Ravinder , had taken a Cash Gain Diamond policy bearing no 0230342753 for sum assured of Rs 16,95,000/- with date of commencement 13/08/2011 under annual mode with premium of Rs.60147/- for a term of 15 years from Bajaj Allianz Life Insurance Company Limited. The above life assured died on 22/01/2012 within 5 months 09 days from the date of commencement of the policy.

The complainant, Sri A.Ravindar, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that certain facts (viz) pre-proposal consultation / hospitalization/ treatment/ diagnosis for Non Hodgkin's Lymphoma , which were known to the deceased life assured (DLA), were not disclosed in the proposal. The complainant stated that his son (viz) the life assured was selected for employment as a soft-ware Engineer in MNC before January 2011. Meanwhile, before his son could take up the employment, DLA developed stomach pain and he was diagnosed of Non-Hodgkin's Lymphoma in the hospital. About six cycles of chemotherapy were given and in July 2011, he was told that his son was cured more than 90% .and his son had to take tablets only. Afterwards, his son joined the duty and he was performing his normal duties.

A personal hearing of both the parties was held on 29/05/2013.

As per the discharge summary dated 13/03/2011 issued by St. Isabel's Hospital, Chennai,, final Diagnosis is Non Hodgkin's Lymphoma. In the said discharge summary, presenting complaints are noted as follows:- A case of Non Hodgkin's Lymphoma ..... , Had renal failure – post dialysis....., Post cycle I, COP Chemotherapy, Due for Cycle -II Chemotherapy. Diagnosis, as per discharge summary dated 28/07/2011 issued by Girishwari Hospital, Chennai , is Lymphoma-Relapse,

Medical records submitted by the Insurer clearly establish the fact that the DLA was suffering from Non Hodgkin's Lymphoma and was taking treatment for the same before submitting the proposal for insurance under the above policy. Pre-proposal illness of the DLA and its non-disclosure have been clearly established.

The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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## CHENNAI

AWARD No. IO(CHN) / L-004 /2013-14 dated 17/06/2013

Complaint No. IO(CHN)/ 21.02.3062 / 2012-13

Smt.R.Margaret Vs LIC of India, Chennai DO II

The complainant's husband, Sri J.Rajendran , had taken a Money plus Unit Linked policy bearing no 718251225 for sum assured of Rs 50,000/- with date of commencement 30/03/2007 under yearly mode with premium of Rs 10,000/- for a term of 10 years from LIC of India , Chennai DO II. He died on 30/10/2008 within 1Y 7 months from the date of proposal. The primary cause of death was reported as Cardio respiratory arrest.

The complainant, Smt R.Margaret, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured had been a hypertensive & diabetic patient and had been taking treatment for the same as out-patient for the last 5 years prior to death.. The complainant admitted during the hearing that her husband was suffering from Diabetic Mellitus for the last five years and he used to have diabetic injection. She also said that she is not aware or the quantum of fund value available under the above policy for payment.

A personal hearing of both the parties was held on 28/05/2013. .

As per Claim Form B, DLA was suffering from diabetic mellitus for the past 8 years. As per Claim Form B-1, DLA was having history of diabetic mellitus for 8 years which was reported by the patient himself. The Medical Officer, Dr.V.R.Megaraj, has mentioned in his certificate 30/03/2009 that DLA was suffering from diabetes mellitus with hypertension and was taking medicine from their out-patient unit for past 5 years. The said Medical Officer has also noted that DLA had last attended their out-patient department on 29/10/2008. The Insurer has proved the existence and treatment taken for diabetic mellitus and hypertension before the proposal date 30/03/2007. Pre-proposal illness of the DLA and its non-disclosure have been clearly established.

The Insurer's decision to repudiate the claim is fully justified. However, the Insurer was directed to pay interest on the fund value for the period reckoned from the date of receipt of intimation of death to the date of settlement at the rate prescribed under the guidelines laid down for settlement of claims in IRDA Protection of Policyholders' Interests Regulations 2002, as the Insurer has not taken steps for payment of fund value.

The complaint was PARTIALLY ALLOWED.

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CHENNAI

AWARD No: IO (CHN) L-005 /2013-14

Complaint No. IO (CHN)/ 21.004.2289 /2012-13

Sri. S.Lakshminarayanan vs. ICICI Prudential Life Insurance Company Ltd

The complainant's wife, Smt. L.Maheswari, had taken Life Stage Wealth II ( Unit Linked Risk cover) policy bearing number 15037372 for sum assured of Rs.7,00,000/- from ICICI Prudential Life Insurance Company Ltd with date of commencement 28.01.2011 under annual premium of Rs100000/- for a premium paying period of 5 years and policy term of 10 years. The life assured died on 22.03.2012 within 1 year 1 month & 24 days from the date of commencement of the policy. The complainant, Sri. S.Lakshminarayanan, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer has informed the complainant that the life assured was diagnosed of Ovarian cancer in 2007 and underwent post operative adjuvant chemotherapy. She had recurrence in 2009 and treated with chemotherapy cycles then. The claim has been repudiated on the grounds of non-disclosure of this medical history in the proposal form. The complainant contended that his wife had not deliberately suppressed the medical history existed before the date of proposal and that the policy was taken from the investment angle only.

A personal hearing of both the parties was held on 12/06/2013.

In the discharge Summary dated 13/03/2012 issued by Apollo Specialty Hospital, Chennai, the DLA was diagnosed of Carcinoma Ovary Progressive Intestinal Obstruction Sub acute. . In the history of "present illness" in the discharge summary, it is mentioned that the DLA had complaints of carcinoma left ovary in 2007; S/P chemotherapy (4 cycles) followed by surgery and postoperative adjuvant chemotherapy (4 cycles) were given. . . Patient had a recurrence in 2009, started on 2<sup>nd</sup> line of management, received last cycle of chemotherapy on 07.03.2012. In the Medical Attendant's/ Hospital Certificate/ Treating doctor certificate dated

30.04.2012 issued by Dr. S.G.Ramanan, Medical Oncologist, Apollo Specialty Hospital, Chennai , particulars of earlier treatment given to the life assured 05/2007 to 1/2011 for Ca. Ovary, Chemotherapy, relapsed Ca. Ovary were given.

The Insurer has established with clinching evidences the pre-proposal illness and their suppression in the proposal form submitted at the time of effecting the assurance. The Insurer had clarified in response to a query by the Forum during the 'personal hearing that the Fund Value available under the policy on the date of receipt of intimation of death is Rs.84039/-and submitted that the amount and all other monies paid under the policy stand forfeited in view of the repudiation for breach of 'utmost good faith.'

The Forum notes that in Unit Linked plans, the customer bears the risk of investment and the fluctuations of market conditions, as per the stated principle in such products and hence the Fund Value belongs to the claimant, not withstanding the repudiation of the death benefit.

Repudiation of the claim by the Insurer is fully justified. However, the Insurer was directed to pay the fund value available on the date of receipt of intimation of death.

The complaint was **PARTIALLY ALLOWED.**

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**CHENNAI**

**AWARD No: IO (CHN) L006 / 2013-14 Dated 17/06/2013**

**Complaint No. IO (CHN)/ 21.009.2431/ 2012-13**

**Smt C. Selvi Vs Bajaj Allianz Life Insurance Company Ltd**

The complainant's husband, Sri.N.Chinnasamy had taken a New Unit Gain (Unit-Linked) policy bearing no. 0040754846 for sum assured Rs2,00,000/- with date of commencement 02.03.2007 under half yearly premium of Rs 5000/- for a term of 30 years from Bajaj Allianz Life Insurance Company Ltd. The policy was revived on 31.08.2010 on the strength of Declaration of Good Health. The life assured died on 31.12.2011 within 4 years 9 months 29 days from date of commencement of policy and within 1 year 4 months from the date of revival.

The complainant, Smt C. Selvi, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured had medical investigations/ consultations and treatment since

**03/05/2008 for Chronic Kidney disease and this was not disclosed in the declaration of good health dated 31-08-2010 submitted for revival of the policy.**

**A personal hearing was conducted on 12/06/2013. The complainant did not attend the hearing. The representative of the Insurer presented the insurer's versions with regard to the above complaint.**

**In the History and physical examination report (dated 03/05/2008) issued by Medical Centre and Hospital, Coimbatore, it is mentioned that the DLA was diagnosed to have Hypertensive .It was also noted that DLA was found to have evidence of CKD. Medicines have also been prescribed for the same. As per the Discharge Summary dated 28.02.2011 issued by Narayani Hospital, Erode, DLA was diagnosed of hypertension, Anemia and END stage Renal failure. In the certificate dated 23/03/2012 issued by Usual/ Family doctor Dr.D.Karthikeyan, cause of death of the life assured is mentioned as cardio respiratory arrest due to end stage renal failure.**

**Medical records submitted by the Insurer clearly establish that DLA suffered from hypertension as well as CKD for two years or above prior to the date of DGH (viz) 31/08/2010, Pre-revival illness is clearly established and the life assured had not disclosed the true status of his health at the time of revival.**

**In as much as suppression of pre-revival illness is clearly established, the repudiation of the claim by the Insurer is fully justified.**

**The complaint was DISMISSED.**

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**CHENNAI**

**AWARD No: IO (CHN) L-007 /2013-14 Dated 18/06/2013**

**Complaint No. IO (CHN / 21.009.2315 /2012-13**

**Smt. P.Pushpavalli Vs Bajaj Allianz Life Insurance Company Limited**

**The complainant's husband, Sri. P.Panneerselvam, had taken a Bajaj Allianz Super Cash Gain policy bearing number 0205601232 for sum assured Rs 1,13,000/- with date of Commencement 16.02.2011 from Bajaj Allianz Life Insurance Company Limited. The life assured died on 18.02.2011 within 02 days from the date of commencement of the policy. The complainant, Smt. P.Pushpavalli, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life**

assured had history of Hyper tension for the past one year and this fact known to deceased life assured was not disclosed in the proposal submitted by him.

A personal hearing was conducted on 12/06/2013. The complainant did not attend the hearing. .

The certificate dated 26.05.2011, issued by S.R. Nursing Home, Tiruvarur, is a sketchy note wherein it is mentioned that the DLA was known to him for 5 years, DLA used to get fever & cough on and off and that he was suffering from Hyper tension since one year. There is no specific mention that the certifying doctor actually treated the DLA in his Nursing Home not to speak of the line of treatment given with supporting documents like case sheet or even a single out-patient prescription memo.

A careful perusal of the complainant's letter taken on record by this Forum throws an important allegation of the complainant that she was forced by the official of the second investigator M/s A.S.N Arya & company, Chennai to get a certificate from the doctor to the effect that the DLA was suffering from Hypertension in spite of her repeatedly telling that her late husband had no illness, which was also a fact according to her. The complainant goes on to allege that she was provided the text of the certificate on a piece of paper with instructions regarding the format. When she hesitated to get a wrong certificate, she was assured that it was required for the purpose of getting the claim.

The serious nature of the above assertion made the forum to study the aspect with reference to the context and circumstances on the basis of the available papers taken on record as a process of validation.

To the Forum's surprise, the scribbled text is actually available among the documents submitted by the Insurer. Though there are no means for the Forum or for that matter any third person to exactly know what has transpired between two persons some time in the past, the principle of preponderance of probability points that the statement of the complainant may be a fact especially when the scribbled text is actually available forcing one to the logical conclusion that the certificate had been 'doctored'.

While so, the first Claim Investigation Report dated 07.05.2011 submitted by M/s. Aquarius Consultants and Investigators, Chennai-41, did not disclose any pre existing illness to the date of proposal. They had recommended for payment of claim.

It appears that the Insurer, not satisfied with the above claim Investigation which had recommended for payment of claim, had entrusted another Claim investigation to M/s. A.S.N. Arya & Co., Chennai. This time the Investigator vide his report dated 28.05.2011 has recommended for repudiation of claim enclosing the above said "Doctor's Medical Certificate" of S.R. Nursing Home, Tiruvarur.

The Insurer, for their repudiation decision, had relied solely on the Certificate issued by Dr. D.Selvaraj of S.R. Nursing Home, Tiruvarur dated 26.05.2011.

The Insurer has not convincingly established that life assured had suppressed material facts in the proposal submitted by him for the Insurance, The Insurer is not justified in repudiating the claim. The Insurer was directed to settle the claim under the policy as per contract.

The complaint was ALLOWED.

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**CHENNAI**

**AWARD No: IO (CHN) L-008 /2013-14 Dated 19/06/2013**

**Complaint No. IO (CHN) /21.03.2323 /2012-13**

**Smt Nagammal Vs Coimbatore Division of LIC of India**

The complainant's husband, Sri P.Manickam, had taken a LIC's Endowment policy bearing number 765822067 for Sum assured Rs.50,000/- for a term of 15 years with date of commencement as 28.06.2008 and with half-yearly premium of Rs.2060/- from Coimbatore Division of LIC of India. He died on 28.10.2009 due to CAHD/AIMI within a period of 1 year 4 months from the date of commencement of the policy. The complainant, Smt Nagammal, nominee under the policy preferred a claim for the policy monies with the Insurer. The insurer contends that the DLA had been treated for Diabetes Mellitus 10 years prior to the date of proposal which was not disclosed in the proposal. The complainant asserted that her husband was not having any ailment and had neither consulted nor had taken treatment for any ailment before his death. She said that death of her husband was sudden.

A personal hearing of both the parties was held on 12/06/2013.

In the Claim Form B completed by Dr. Venugopalraja, Saraswadhy Hospital, Sathyamangalam, it is recorded that the DLA was suffering from Diabetes Mellitus for the past 10 years and the history was reported by the DLA's son. In the Claim Form B1 dated 24.11.2009, issued by the same doctor, other disease or illness that preceded or co-existed with the ailment at the time of patient's admission into the hospital was mentioned as Diabetes for the past 10 years. It is also mentioned that DLA was earlier taking treatment from Dr. G.Ravindran of Gopichettipalayam. No other evidence has been submitted to prove that the DLA was under treatment for Diabetes prior to taking the policy except the "noting in Form B & B1". However, the fact that the DLA was suffering from Diabetes for the last 10 years was reported by his son himself (as per remarks in claim form B) cannot be ignored. The actual treatment particulars for diabetes spanning a period before the proposal date, have not been made available by the Insurer.

The Insurer was directed to settle the claim on EXGRATIA basis and pay the Complainant a sum of Rs. 10000/- (Rupees Ten Thousand only) in full and final settlement of the claim.

The Complaint was Partly allowed on Ex-gratia basis.

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**CHENNAI**

**AWARD No: IO (CHN) L-009 / 2013-14 Dated 25/06/2013  
Complaint No. IO (CHN) / 21.02.2349 /2012-13**

**Smt K.Lilly Vs LIC of India, Chennai Division II**

The complainant's husband, Sri T.Kannadoss, had taken two Jeevan Mitra (Double cover & Triple cover) policies bearing numbers 712354884 & 718691217 for Sum assured Rs.55,000/- & Rs.50,000, both with date of commencement as 13.11.2008 & 15.12.2008 respectively from LIC of India, Chennai Division II. He died on 01.08.2011 within a period of 2 years 8 months 18 days and 2 years 7 months 16days respectively from the date of commencement of the above two policies.

The complainant, Smt K.Lilly, nominee under the above two policies preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim stating that the life assured had suffered from Cervical Disc Prolapse during 2002, he had been a case of persistent @ CB Neuralgia in 1997, had a cut injury over his right scalp, had taken a treatment in 2000 for fall from cycle and underwent knee injury, was taking treatment for De-compensated Liver Disease in Apollo Hospital.

A personal hearing of both the parties was held on 28/05/2013.

The complainant admitted that her husband was an occasional drinker and occasional smoker. She also said that due to wrong treatment in the hospital, her husband died. .

In the Claim Form B dated 23.08.2011, other disease or illness preceded or co-existed with that which immediately caused the death of life assured as liver disease. As per Claim Form B1 dated 22.08.2011, diagnosis arrived in the hospital was Sepsis with ARDS, DCLD, ..... In the Discharge Summary dated 26.07.2011, issued by Apollo Hospital, Greams Road, Chennai, ( DOA: 13.07.2011 and Date of discharge :26.07.2011), it is mentioned that the DLA was smoking for 9 years and consuming Ethanol for 4 years. In the discharge Summary dated 05/01/2011, issued by Apollo Hospital, Tondiarpet, Chennai, past history of the patient is mentioned DCLD on treatment. Surgery in right knee in 2000 and surgery for appendicitis in 1991. It is also mentioned that the patient is a known case of DCLD. As per the Injury Record issued by Chennai Port Trust Hospital, Chennai dated 09/08/2000, the DLA had sustained injury in right knee after fall from a cycle. .As per the Discharge Summary dated 13.12.2002 issued by Port Trust Hospital, Chennai, DLA was treated for Multiple level Cervical Disc prolapse with CB neuralgia.

The records submitted by the Insurer show that the DLA was not maintaining good health and had suffered from Cervical-disc prolapse, persistent @ CB Neuralgia and



underwent knee surgery as revealed in the Hospital records of Chennai Port Trust Hospital. The same has been established before the date of proposals. However, for other ailments like DCLD, the insurer had relied on the 'past history "notings" in the discharge summary of Apollo Hospital, Chennai for establishing the pre-proposal ailment. Though there is no reason to doubt the notings of a reputed hospital, still the actual treatment records could not be made available for scrutiny. Hence, in the context of examining whether the suppression had been with reference to pre-proposal or after, there is a scope for giving some benefit of doubt.

The Insurer was directed to settle the claim on EXGRATIA basis and pay the complainant a sum of Rs.25000/- (Rupees Twenty five thousand only) for both the policies put together in full and final settlement of the claim.

The complaint was PARTLY ALLOWED on EX-GRATIA basis.

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#### **CHENNAI**

**Award No: IO (CHN) L- 010 /2013-14 Dated 25/06/2013**

**Complaint No. IO (CHN) /21.01.3063 /2012-13**

**Smt. Daulthabee Vs. LIC of India, Chennai Divisional Office I**

The complainant's husband, Sri B.Abdul Sathar, had taken a Jeevan Saral policy bearing number 705497704 for Sum assured Rs.62500/- for a term of 16 years under quarterly mode with premium of Rs. 792/- and with date of commencement as 02/03/2011 from LIC of India, Chennai Divisional Office I. He died on 16/05/2012 due to acute chronic pancreatitis within a period of 01 year 02 months 14 days from the date of commencement of the policy.

The complainant, Smt. Daulthabee, wife of Sri B.Abdul Sathar and the nominee under the above policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured was a chronic alcoholic for 20 years and was diagnosed to have acute chronic pancreatitis which were not disclosed in the proposal.

A personal hearing of both the parties was held on 27/06/2013

The complainant admitted during the hearing that her husband was an occasional drinker and smoker. She further said that her husband was coughing on and off for the last 2 to 3 years and did not take any treatment. She contended that her husband died due to jaundice only.

As per the certificate of Hospital treatment (claim form B1) dated 19/06/2012 and Medical attendant's certificate (claim form B) dated 19/06/2012 completed by Dr.K.Sivasubramani of Govt. General Hospital, Chennai, diagnosis arrived at in the hospital and cause of death were mentioned as acute chronic pancreatitis, hepatic encephopathy. In the certificate dated 10/11/2012 issued by Taj Medical Centre,

Chennai, it is mentioned that DLA was admitted in the hospital on 04/05/2012, DLA was a chronic alcoholic and treatment was given. The patient after treatment not improved. The patient was discharged and referred to GGH for further treatment. In the special case record (maintained by GGH, Chennai) dated 05/05/2012, it is mentioned that DLA was chronic alcoholic for 20years & chain smoker. In the special case record dated 13/05/2012, it is mentioned that DLA was smoking for 10 years. In the personal history noted in the special case record dated Nil, it is mentioned that DLA was a chronic smoker and chronic alcoholic for past 1 year.

The Insurer has not submitted any other conclusive proof like prescription, medical reports, etc. for earlier treatment to substantiate that the DLA was known chronic alcoholic for 20 years , chronic smoker for 10 years and a known case of acute chronic pancreatitis, hepatic encephopathy.

The Insurer was directed to pay EX-GRATIA amount of Rs.10,000/- (Rupees Ten Thousand only) in full and final settlement of the claim.

The complaint was PARTLY ALLOWED on Ex-gratia basis.

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**CHENNAI**

**AWARD No: IO (CHN) L-012 /2013-14 Dated 27/06/2013**

**Complaint No. IO (CHN) / 21.01.2950 / 2012-13**

**Smt. E.Chandra Vadhana Vs Chennai DO I, LIC of India**

The complainant's husband, Sri. S.T.Elumalai, had taken an Endowment policy bearing number 715439281 for Sum assured Rs.100000/- with date of commencement as 28/08/2009 from LIC of India , Chennai Divisional Office-I. He died on 19/03/2012 due to heart attack within a period of 2 years 6months 21 days from the date of commencement of the policy. The complainant, Smt. E.Chandra Vadhana, the nominee under the policy, preferred a claim for the policy monies with

the Insurer. The Insurer has repudiated the claim on the grounds that that the life assured was a smoker and alcoholic at the time of taking the policy and he has not disclosed this fact in the proposal papers.

A personal hearing of both the parties was held on 27/05/2013.

Personal history/ past history of the patient (DLA) is noted as follows in the hospital Reports of Govt. Hospital, Royapettah, Chennai

Date of admission	Date of discharge	Past / personal history
01/07/2010	05/07/2010	smoker and alcoholic History of chest pain and not a case of SHT/DM2/CAD.
20/11/2010	24/11/2010	smoker- stopped 4 months back, alcohol- stopped 10 years back history of CAD- 4 months back, thrombolysed ( IWMI/ RUME), IWMI with unstable angina
28/05/2011	02/06/2011	smoker/ alcoholic- stopped 10 months back diagnosed to have CAD/ old IWMI/ post infarction, Angina
08/08/2011	12/08/2011	smoker- 4 years, alcoholic- 3 years

Different durations have been given for drinking and smoking habit of the DLA in the above hospital reports. The fact that DLA was having the habit of drinking and smoking before the date of proposal could not be ignored. Policy had been called in question after 2 years from the date of commencement of the policy attracting sec.45 of the Insurance Act 1938. The Insurer has entirely relied on these hospital reports to repudiate the claim under the above policy.

The Insurer was directed to pay an EXGRATIA amount of Rs.60,000/- (Rupees sixty thousand only) to the complainant in full and final settlement of the claim.

The complaint was PARTLY ALLOWED on Ex-gratis basis.

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**CHENNAI**

**AWARD No. IO (CHN) L-013/2013-14 Dated 27/06/2013**

**Complaint No. IO (CHN) / 21.003.2963 /2012-13**

**Sri P.V.Mahadevan Vs. Tata AIA Life Insurance Company Limited**

The complainant's wife, Smt.T.S.Seshambal had taken two Jeevan Lakshya Plus policies, one bearing no U129053624 (sum assured Rs2,50,000/-, date of commencement - 15/07/2010 ) and the other bearing no. U 069017652 ( Sum assured- 2,49,500/-, date of commencement- 15/07/2010) from Tata AIA Life Insurance Company Limited. She died on 04/09/2011 within a period of 1 year 1 month 19 days from date of commencement of the policies. The complainant, Sri P.V.Mahadevan, the nominee under the policies, preferred a claim for the policy monies with the Insurer. The Insurer rescinded the above two policies from inception on the grounds that the life assured had been suffering from Geistocytic Astrocytoma Grade II - III ( brain tumor) since prior to the application for insurance and the medical declaration submitted at the time of inception of the policies have been proven to be false. They have also intimated that their liability is limited to Rs.55005/- & Rs.54895 under policy numbers U 129053624 & U 069017652 respectively.

A personal hearing of both the parties was held on 27/05/2013.

The discharge summary of the Apollo Specialty Hospital, Chennai, gives the following information :- (Date of admission 17/04/2006; date of discharge- 30/04/2006; Date of surgery 21/04/2006), Diagnosis-Gemistocytic Astrocytoma Grade II-III (ST Anne Mayo Grading system) Left Temporal Region of brain . Surgery left temperoparietal craniotomy and biopsy of intercrania SOL and decompression. In the discharge summary continuation dated 22/05/2006 and 27/05/2006, it is mentioned that 13 sittings of RT completed and 18 sittings of RT completed respectively.

Pre-proposal illness of the DLA and its non-disclosure have been clearly established.

The Insurer has rescinded the above two policies from inception and has settled the fund value of the units available in the insured's account on the date of receipt of intimation of death as per their letter dated 25/05/2012 addressed to the complainant. (Rs.55005/- & Rs.54895/- stand paid on 10/05/2012 under policy numbers U 129053624 & U 069017652 respectively)

Section 64 of Indian Contract Act (Rescission of a contract). stipulates that when a person at whose option contract is voidable, rescinds it, the other party there to need not perform any promise therein contained in which he is a promisor. The party rescinding a contract shall, if he has received any benefit there under from another party to such contract, restore such benefit, so far as may be, to the person from whom it was received. In view of the above, in the present case, the Insurer is liable to refund the full premiums received under both the policies, as the policies have been rescinded from inception by the Insurer.

The Insurer's decision to repudiate the claim is fully justified However, in view of what is stated above, since the policy is rescinded, the insurer was directed to refund the full

premiums received under both the policies less amount already settled by way of payment of units value available on the date of receipt of intimation of death .

The complaint was **PARTLY ALLOWED.**

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**CHENNAI**

**AWARD No. IO (CHN) L-014 /2013-14**

**Complaint No. IO (CHN ) /21.08.2622 / 2012-13**

**Smt.K.Santhi Vs LIC of India, Vellore Division**

The complainant's husband, Sri A.Kannappan, had taken a Wealth Plus unit linked life Insurance policy bearing no 735824249 for sum assured of Rs1,00,000/- with date of commencement as 31/03/2010 from LIC of India , Vellore Division.. He died on 27/11/2010 within 7months 26 days from date of commencement of policy.

The complainant, Smt. K.Santhi, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim on the grounds that the life assured had suffered from chronic kidney disease for which he had consulted a medical man and had taken treatment in a hospital before he proposed for the above policy and these facts known to him were not disclosed in the proposal form.

A personal hearing of both the parties to the dispute was held on 29/05/2013.

In the Medical attendant's certificate dated13/07/2011 completed by Dr. Nambirajan of Govt. Stanley Hospital, Chennai , primary cause of death of life assured is mentioned as systemic hypertension with secondary cause as CKD (Chronic kidney disease) It is also mentioned that that DLA was suffering from this disease for the past one year before his death. It is also mentioned that DLA was a known case of CKD for past one year. In the Certificate of Hospital treatment dated 13/07/2011 issued by the same doctor, t is mentioned that DLA was a known case of CKD/ ESRD and he was on conservative treatment for the past one year. Diagnosis arrived in the hospital was CKD/ ESRD. In the said certificate, the history of illness/disease is stated as CKD for past one year.

The underlying disease (Chronic kidney disease) could not have developed in a matter of less than 8 months. The noting of the doctor in claim form B & B-1 to the effect that DLA was suffering from this ailment and was taking conservative treatment for past one year before his death corroborates the same. In this context, the contention of the complainant that DLA was maintaining good health before the proposal date

and DLA had not taken any treatment for the same is not acceptable. Pre-proposal illness of CKD and its non-disclosure have been clearly established

The Insurer's decision to repudiate the claim is fully justified. However, the complainant was advised to avail the Insurer's offer of bid value of Rs.16187/- under the above policy.

The complaint was DISMISSED.

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#### CHENNAI

AWARD No: IO (CHN) L-015 / 2013-14 dated 27/06/2013

Complaint No. IO (CHN) / 21.08.3025 /2012-13

Smt.R.Meera Vs LIC of India, Vellore Division

The complainant's husband, Sri M.Gopinathan, had taken 21 policies on different dates under SSS mode from LIC of India, Vellore Division . He died on 21.10.2011 due to Heart Attack. The complainant, Smt. R.Meera, nominee under the above policies preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim under 11 policies (as per Annexure) on the grounds that the life assured had suffered from Diabetes Mellitus and was taking treatment for the same which was not disclosed in the proposal forms submitted at the time of taking the above policies.

A personal hearing of both the parties was held on 29/05/2013.

As per the copy of Medical Record Book issued by NLC (produced by the Insurer as documentary evidence), the DLA had taken treatment for Diabetes as per the following details.

Date	Remarks
1997	DM -Diagnosed
04.06.1997	Tab. Prescribed for Diabetes
04.08.2000	Readings : FBS-160, PPBS -320
30.03.2001	To have treatment for DM, FBS -120/PPBS -190.
23.01.2002	Readings: FBS -192,PPBS-317

In Claim Forms B & B1, "No adverse observations" were recorded. In Claim Form E, the employer has sent a list of leave availed by the DLA from 29.04.2005 to 21.10.2011, (Nature of leave marked) without noting the reasons for the same. It is also found that the DLA has not availed leave for more than a week at a stretch during this period.

The records submitted by the insurer show that the DLA was not maintaining good health and was getting treatment for Diabetes before the date of proposal. However, premiums under the above policies were recovered regularly from his salary upto 02.2011.. Further, the fact that all the 11 policies have been taken under salary deduction

scheme and that the premiums have been paid for more than 3 years under Four policies, for more than 2 years under 6 policies, fraudulent intentions cannot be attributed to the life assured (all the above 11 policies are in force as on the Date of death). However, the claim has been called in question after 2 years from the commencement for 9 policies and hence attracts the provisions of Sec 45 of the Insurance Act 1938. The observations made above, leave a scope for some ex-gratia relief to the claimant though the Insurer cannot be faulted for repudiating the claim.

An EX-GRATIA amount of Rs.100000/- (Rupees One lakh only) (for all the policies put together) was awarded to be paid to the complainant by the Insurer in full and final settlement of the claim.

The complaint was PARTLY ALLOWED on EX-GRATIA basis.

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**CHENNAI**

**Award No. IO(CHN)/ L 016/ 2013-14 Dated 27/06/2013**

**Complaint No. IO (CHN) / 21.08.2642 /2012-13**

**Smt.R.Kavitha Vs LIC of India, Vellore division**

The complainant's husband, Sri M.Radhakrishnan, had taken 10 policies (as per Annexure) on different dates under SSS mode from LIC of India, Vellore Division . The life assured died on 06.05.2011 due to Heart Attack. (See Annexure for D.O.C. & OTHER DETAILS)

The complainant, Smt. R.Kavitha, the nominee under the above policies preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim under 8 policies on the grounds that the life assured was a Chronic Alcoholic and Smoker, had suffered from Piles/Pharangytis /Puo/Chest Pain, was taking treatment for the same before the date of proposals and these facts were not disclosed in the proposal forms submitted at the time of taking the above policies .

A personal hearing of both the parties was held on 29/05/2013.

Careful scrutiny of various records submitted by the Insurer reveals the fact that the DLA was not maintaining good health and was getting treated for Chronic Smoking & Alcoholism in earlier years prior to the date of proposals.. It appears that the DLA was over -insured. But his premiums were recovered regularly from his salary upto 05.2011 for more than 2 years under salary savings scheme under Policy Numbers 732571382 & 732571384. The claim under these 2 policies has been called in question after 2 years from the commencement Hence, in the context of examining whether the suppression had been with reference to pre-proposal or after, there is a scope for

giving some benefit of doubt under these two policies and the presence of fraudulent intentions could not be taken as forgone conclusion. .

However, other policies viz.. 732691868,732691870,732691871, 732691873,732691874,732691876 cannot be treated on even level as the DLA had died within a period of 7 months and 16 days from the Date of Commencement of policies and also the DLA had treatment for alcoholism & smoking before the Date of commencement of the above policies. For the same reason, the Insurer's repudiation of death claim under the above 6 policies is justified.

The complaint was PARTLY ALLOWED on EX-GRATIA basis for Rs.1,00,000/-under policy numbers 732571382 & 732571384 put together and the complaint under policy numbers 732691868, 732691870, 732691871, 732691873, 732691874 and 732691876 was DISALLOWED.

**ANNEXURE – POLICY DETAILS**

732571382	732571384	732691868	732691870	732691871	732691873	732691874	732691876
100000/ 168.16/ 642.00/ 05.2011	100000/ 149.21/ 495.00/ 05.2011	62500/ 165.16/ 255.00/ 05.2011	62500/ 165.17/ 255.00/ 05.2011	62500/ 165.18/ 255.00/ 05.2011	62500/ 165.19/ 255.00/ 05.2011	62500/ 165.20/ 255.00/ 05.2011	62500/ 165.21/ 255.00/ 05.2011
17.03.2009	17.03.2009	11.10.2010	11.10.2010	11.10.2010	11.10.2010	11.10.2010	11.10.2010
20.02.2009	20.02.2009	20.09.2010	20.09.2010	20.09.2010	20.09.2010	20.09.2010	20.09.2010
06.05.2011	06.05.2011	06.05.2011	06.05.2011	06.05.2011	06.05.2011	06.05.2011	06.05.2011
02Y02M16 D	02Y02M16 D	0Y07M16 D	0Y07M16 D	0Y07M16 D	0Y07M16D	0Y07M16D	0Y07M16D
Heart attack	Heart attack	Heart attack	Heart attack	Heart attack	Heart attack	Heart attack	Heart attack

**ALL POLICIES WERE COMPLETED UNDER NON-MEDICAL SPECIAL SCHEME UNDER SSS MODE.**



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**CHENNAI**

**Synopsis**

**AWARD No. L-017/2013-14 Dated 27/06/2013**

**Complaint No. IO (CHN) / 21.08.2964 /2012-13**

**Smt.R.Mageshwari Vs. LIC of India , Vellore Division**

The complainant's husband, Sri M.Ravi had taken 8 policies on different dates under SSS mode from LIC of India, Vellore Division . The life assured died on 18.04.2011 due to Ischemic Heart disease & complications. Death claim under policy nos.732527206, 732523963, 732523107 & 732525353 was repudiated and death claim under other 4 policies stand settled for full sum assured. However the Insurer had settled an ex-gratia amount of Rs.1.40 lakhs under FOUR policies where the claim was repudiated. The complainant, Smt. R.Mageshwari, nominee under the above policies preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim on the grounds that the life assured had the alcoholic habit before submitting the proposal under the above four policies.

A personal hearing of both the parties was held on 29/05/2013.

In F.I.R. dated 18.04.2011 registered at Katpadi Police station, his son R.Manoj Kumar has reported that his father was having the habit of drinking alcohol. In the P.I.R. dated 20.12.2011, the S.I. of Police, Katpadi Police Station, has concluded that the DLA had died of drinking habit. In the Post-mortem certificate dated 19.04.2011 by Department of Forensic Science, Govt. Vellore Medical College no adverse findings were recorded. Opinion as to the cause of death is recorded as "Reserved pending report of Chemical Examination". In the VISCERA Report dated 16.05.2011 by Deputy Director, Regional Forensic Science Laboratory, Vellore, it is mentioned that " ETHYL ALCOHOL OR OTHER POISON WAS NOT DETECTED" in any of the Five Organs examined. In the Form E, sent by the employer it is observed that the DLA had not availed any leave including Casual Leave from 01.04.2005 to date of death. In C.I.R. dated 15.03.2012, it is mentioned that the DLA was a habitual drinker but was keeping good health. The Insurer has not established beyond doubt that the DLA had the alcoholic habit before the date of proposal submitted under the above policies.. There is no conclusive proof to the effect that the death has taken due to alcohol consumption.

The complaint was PARTLY ALLOWED on EX-GRATIA basis for Rs.85000/- under the above 4 policies put together in addition to the ex-gratia amount of Rs.1.40 lakhs already paid by the Insurer.

## **ANNEXURE – POLICY DETAILS**

<b>732527206</b>	<b>732523963</b>	<b>732523107</b>	<b>732525353</b>
<b>150000/165.16/ 612.00/04.2011</b>	<b>100000/178.15/ 603.00/04.2011</b>	<b>100000/179.16/ 559.00/04.2011</b>	<b>100000/14.18/ 523.00/04.2011(2 gaps)</b>
<b>16.04.2010</b>	<b>21.01.2009</b>	<b>12.05.2008</b>	<b>17.08.2009</b>
<b>18.04.2011</b>	<b>18.04.2011</b>	<b>18.04.2011</b>	<b>18.04.2011</b>
<b>1 yr 0 mths 2 days</b>	<b>2 yrs. 2 mths. 27 days</b>	<b>2 yrs. 10 mths.06 days</b>	<b>1 yr. 8mths 1day</b>

**ALL POLICIES WERE COMPLETED UNDER NON-MEDICAL SPECIAL SCHEME UNDER SSS MODE**

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### **CHENNAI**

#### **SYNOPSIS**

**AWARD No. IO (CHN) L- 019 / 2013-14 Dated 27/06/2013**

**Complaint No. IO (CHN) / 21.02. 2852 /2012-13**

**Smt. K.Vijayalakshmi vs. LIC of India, Chennai Divisional Office II.**

The complainant's husband, Sri. B.Kothandapani, had taken a Jeevan Anand policyh bearing no. 714506741 for sum assured of Rs 1,00,000/- with date of commencement as 12/01/2009 from LIC of India, Chennai Divisional Office II. The above life assured died on 30/07/2010 within I year 6 months 18 days from the date of commencement of the policy. The complainant, Smt. K.Vijayalakshmi, nominee under the policy, preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim on the grounds that the deceased life assured had been suffering from diabetes and hypertension since 2005, he was treated for Chikungunya in August 2006 and in February 2007, he was treated for loss of consciousness. It is also said that these facts were not disclosed in the proposal form.

**A personal hearing of both the parties was held on 28/05/2013.**

**In the Medical Record Book (OPD Sheets) issued by Southern Railway Head Quarters Hospital , Chennai , the following noting have been made-**

<b>Date</b>	<b>Remarks noted in the OPD sheets.</b>
<b>13/12/2005</b>	<b>Diabetes Mellitus (4 years) Systemic hypertension ( 4 years) Tablets prescribed for a month</b>
<b>01/08/2006</b>	<b>Chikungunya - tablets prescribed</b>
<b>06/02/2007</b>	<b>loss of consciousness- tablets prescribed</b>
<b>02/05/2007</b>	<b>B.P. Readings-160/100- tablets prescribed</b>
<b>05/10/2007</b>	<b>B.P.Readings- 150/100- tablets prescribed</b>
<b>18/03/2009</b>	<b>Known diabetic</b>

In the discharge summary of Apollo KH Hospital dated 05/05/2010, it is mentioned that DLA was chronic alcoholic.

From the above, it is clear that the DLA was suffering from diabetes and systemic hypertension and was taking treatment for the same before submitting the proposal for insurance under the above policy. Pre-proposal illnesses of the DLA and its non-disclosure have been clearly established.

The complaint was DISMISSED.

CHENNAI

AWARD No: IO (CHN) L- 020 / 2013-14 Dated 27/06/2013

Complaint No. IO (CHN) / 21.02. 2911 /2012-13

Smt. D.Arumugha Kani Vs LIC of India, Chennai Divisional Office II.

The complainant's husband, Sri.K.Dhanushkodi, had taken a Jeevan Mitra (Triple cover endowment plan) policy bearing no. 714336705 with date of commencement as 10/05/2008 for a sum assured Rs.2,00,000/-from LIC of India, Chennai Divisional Office II. The above life assured died on 11/01/2010 within 1year 8 months 1 day from the date of commencement of the policy. The complainant, Smt. D.Arumugha Kani, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that that the deceased life assured had been suffering from infected wound right leg (Diabetic ulcer), was on leave for the same from 28/12/2006 to 20/01/2007 and these facts were not disclosed in the proposal form.

A personal hearing of both the parties was held on 28/05/2013..

In the Sick leave certificate dated 29/03/2011 issued by Senior Medical Officer, Southern Railway, Tambaram, Chennai-600045 (produced by the Insurer as documentary evidence), it is mentioned that DLA was on sick leave from 28/12/2006 to 20/01/2007. It is also noted in the certificate that DLA was suffering from infected wound right leg (diabetic ulcer), as per their sick leave records. In the Claim Enquiry Report dated 31/03/2011, the Investigating Officer has reported that DLA had taken treatment for diabetic ulcer right leg at Railway Hospital, Tambaram between 28/12/2006 to 20/01/2007.

From the above, it is clear that the DLA was suffering from diabetes and was taking treatment for the same before submitting the proposal for insurance under the above policy. The complainant has also admitted, during the hearing, that her husband was suffering from diabetes since 2006 and he was taking tablets for the same. Pre-proposal illnesses of the DLA and its non-disclosure have been clearly established.

The complaint was DISMISSED.

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**CHENNAI**

**Synopsis**

**AWARD No: IO (CHN) L- 021 / 2013-14**

**Complaint No. IO (CHN) / 21.08. 2606 /2012-13**

**Sri. N.Devachandran Vs. LIC of India, Vellore Division**

The complainant's wife, Smt. D.Navaneetham, had taken a Endowment Assurance policy with profits bearing no.735372688 with date of commencement as 07/03/2009 for a sum assured Rs.1,75,000/-from LIC of India, Vellore Division. The above life assured died on 04/04/2011 within 2years 27 days from the date of commencement of the policy. The complainant, Sri N.Devachandran, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim vide their letter dated 09/04/2012 on the grounds that the deceased life assured had been suffering from diabetes for about 20 years before she proposed for the above policy, for which she had taken treatment in a hospital. It is also said that these facts were not disclosed in the proposal form.

A personal hearing of both the parties was held on 29/05/2013. Both the parties to the dispute presented their versions. .

In the Medical Report dated 29/08/2002 issued by CMC, Vellore , history of DLA is noted as known diabetic for 20 years currently on medication with medicines. It is also mentioned that sugar is under good control. In the claim form B, against the question

“what other disease preceded or co-existed with that which immediately caused death “, reply is given as diabetes mellitus -30 years, rheumatic heart disease -5 years.” In the claim form B1 diagnosis arrived at the hospital is shown as acute gastro enteritis and type II DM. Against the question “ was there any other disease or illness which preceded or co-existed with the ailment at the time of patient’s admission into the hospital “ answer is given as “Type II DM, Chronic rheumatic heart disease...”It is also noted in the certificate that CRHO –MS was diagnosed in 2002, Type II DM ....In the discharge summary dated 03/04/2011 issued by Grace and Compassion Hospital, Tiruvannamalai, it is mentioned that the patient(DLA) was a known case of DM ( Regular treatment in CMC, Vellore). History, examination, treatment& progress records of CMC, Vellore also confirm the same position.

From the records submitted by the insurer, it is clear that the DLA was suffering from diabetes and was taking treatment for the same before submitting the proposal for insurance under the above policy. The complainant has also admitted, during the hearing, that his husband was suffering from diabetes for the past 5 years prior to her death and he was taking tablets for the same. In view of the foregoing, the pre-proposal illnesses of the DLA and its non-disclosure have been clearly established.

Insurer’s decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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## CHENNAI

AWARD No. IO (CHN) L- 022 / 2013-14 Dated 08/07/2013

Complaint No. IO (CHN) / 21.01. 2833 /2012-13

Smt. J.Poongodi vs. LIC of India, Chennai Divisional Office I .

The complainant’s husband, Sri.N.Jayaraj, had taken policies bearing no. 718690309 (with date of commencement 28/09/2008 for a sum assured Rs.1,00,000/-, ) , 713829391 (with date of commencement 28/10/2008 for a sum assured Rs.30,000/-, ) , 718690904 (with date of commencement 21/11/2008 for a sum assured Rs.50,000/-, ) , from LIC of India, Chennai Divisional Office I . The above life died on 21/05/2011 within 2years 7 months23 days, 2years 6 months 23 days and 2years 6 months from the date of commencement of the policies 718690309, 713829391 and 718690904 respectively. The complainant, Smt. Poongodi, nominee under the above policies, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that life assured had been suffering from HTN for 5 years, was also an alcoholic in the past and these facts were not disclosed in the proposal forms.

A personal hearing of both the parties was held on 27/05/2013.

As per claim form B (Medical attendant's certificate) and death certificate issued by GGH, Chennai, cause of death of life assured is severe metabolic Type II D.M./Decompensated alcoholic liver disease/ acute pancreatitis/(L) Fronto tempero parietal SDH,/ Temporal confusion R. ventricular IVH/ Prontal SDH. In claim form B1 (Certificate of hospital treatment) , diagnosis is shown as stroke. In the discharge summary dated 14/05/2011 issued by Bharathirajaa Hospital & Research Centre Private Limited., Chennai, diagnosis arrived at in the hospital is mentioned as alcoholic liver disease, acute pancreatitis, hepatic encephalopathy, diabetic ketoacidosis, alcohol withdrawal syndrome seizures. In the ward discussion and literature reference record issued by GGH, Chennai, diagnosis arrived at is mentioned as type II D.M., decompensated alcoholic liver disease, acute pancreatitis/(L) Fronto tempero parietal SDH,/ Temporal confusion/R. ventricular IVH/ Prontal SDH. In the discharge summary /follow up record issued by GGH, Chennai past history of the patient (DLA) is noted as a known case of systemic HTN for 5 years, a known case of type II D.M., for 1 year. The patient is also reported to have history of alcohol seizures previously. The personal history of DLA is noted as alcoholic / dependence 10years, smoker.

From the records submitted by the Insurer, pre-proposal illness of the DLA and its non-disclosure have been clearly established. The Insurer is fully justified in repudiating the claim under the above policy.

The complaint was DISMISSED.

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**CHENNAI**

**AWARD No. IO (CHN) L- 023 / 2013-14 08/07/2013 Dt.08/07/2013**

**Complaint No. IO (CHN) / 21.08. 2440 /2012-13**

**S.Bhuvana Vs. LIC of India, Vellore Divisional Office**

The complainant's husband, Sri. P.Sundar, had taken two policies bearing no. 732403386 (with date of commencement 09/09/2010 for a sum assured Rs.1,00,000/-, ) & 732403136 (with date of commencement 28/03/2010 for a sum assured Rs.1,00,000/-, ), from LIC of India, Vellore Divisional Office. The above life assured died on 12/10/2010 within 1 month 03 days & 6 months 14 days from the date of commencement of the policies 732403386 & 732403136 respectively.

The complainant, Smt. S.Bhuvana, nominee under the above policies, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that life assured was suffering from acid peptic disease, had consulted a

medical man , had taken treatment from the doctor for the same, was on medical leave prior to the date of proposals and these facts were not disclosed in the proposal forms.

A personal hearing was held on 29/05/2013 .

In claim form A (claimant's statement), the claimant herself has admitted that her husband was taking treatment from Dr. N.S.Subramanian for acid peptic disease on 26/06/2009, 19/10/2009, 11/11/2009/ 21/01/2010, 31/05/2010 & 25/06/2010.

In claim form B (Medical attendant's certificate) dated 13/05/2011, primary cause of death of life assured is mentioned as as sub arachnoid hemorrhage with secondary cause as diabetes. In claim form B1 (Certificate of hospital treatment) dated 13/05/2011 , diagnosis arrived at the hospital is shown as sub arachnoid hemorrhage with co-existing ailment as diabetes mellitus. In claim form B1 (Certificate of hospital treatment) dated 11/11/2011, diagnosis arrived in the hospital is mentioned as arachnoid bleeding, rupture of an aneurysm. .In claim form B2 (Certificate of treatment) dated 14/07/2011, date of his first consultation for the ailment is stated as : 01-04/2007 , diagnosis arrived at is stated " Acid Peptic Disease", date on which the doctor last attended him is given as " 31/05/2010". Any previous occasion or any latter occasion- on which treated is noted as " 21/01/2010" and nature of ailment then was mentioned as "Acid peptic disease". In claim form B2 (Certificate of treatment) dated 11/11/2011, diagnosis arrived at is noted as sub arachnoid bleeding .

In claim Form E ( Certificate by Employer ), it is mentioned that DLA has availed leave on medical grounds for more than a week for 6 spells during the period 09/04/2007 to 09/07/2010 for acid peptic disease. The medical certificates for the said leave period were issued by the doctor who has Completed Claim form B-2 dated 14/07/2011.

From the records submitted by the Insurer, pre-proposal illness of the DLA and its non-disclosure have been clearly established The Insurer is fully justified in repudiating the claim under the above policy.

The complaint was DISMISSED.

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**CHENNAI**

**Synopsis**

**AWARD No. IO (CHN) L-024 / 2013-14 Dt. 15/07/2013**

**Complaint No. IO (CHN) /21.07.2533 / 2012-13**

**Smt.K.Anusuya Vs. Tirunelveli Division, LIC of India**

The complainant's son, Sri.K.Jeyakumar, had taken a Jeevan Anand policy bearing number 323071212 for a Sum assured Rs.100000/- with date of commencement as 17.01.2009 from Tirunelveli Division, LIC of India.. The above life assured died on 25.10.2011 due to Ischemic heart disease and Valvular Heart disease within a period of 2 years 9 months 8 days from the date of commencement of policy.

The complainant, Smt.K.Anusuya, nominee under the above policy, preferred a claim for the policy monies with the Insurer. The insurer has repudiated the claim on the grounds that the life assured was not maintaining good health prior to the date of proposal, had underwent surgery for Trivial Valvular heart disease at the age of 12 and these facts were not disclosed at the time of proposing for assurance.

A personal hearing of both the parties was conducted on 13/06/20132.

As per Claim Form B ( Medical Attendant's certificate) dated 25.11.2011 completed by Dr. V.Nallasivan, Chief Civil Surgeon, Govt. District Head Quarters Hospital, Tenkasi, primary cause of death is Ischemic Heart Disease and secondary cause of death is Valvular Heart disease. The same Doctor, in his certificate dated 12.01.2012, has stated that " he knew Sri.Jayakumar, S/O Mr. P.Kandaiyan, 40 A- State Bank Colony, Melagaram, Tenkasi since his childhood. He had "Trivial valvular Heart disease during his childhood, which was corrected by surgery when he was about 12 years and has led a normal life. But, recently, when he was thirty plus old, he had sudden attack of Ischemic heart disease just before the day of Deepavali and expired despite vigorous medical management." In the Claim Enquiry Report dated 12.01.2012, the Investigation Officer has said that, on his enquiry, it is found that the DLA had an operation for trivial valve (surgery) during his childhood.

From the records submitted by the Insurer, it is clear that the DLA had suffered from Trivial valvular Heart disease before submitting the proposal for insurance under the above policy. Pre-proposal illness of the DLA and its non-disclosure have been clearly established

The complaint was **DISMISSED**.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L- 026 /2013-14 Dated 16/07/2013**

**Complaint No. IO (CHN)/21.07.2534/2012-13**

**Smt.P.Panimary Vs LIC of India, Tirunelveli Division**

The complainant's sister, Smt..P.Thiresal, had taken a Jeevan Saral policy bearing number 323827831 for a Sum assured Rs.100000/- with date of commencement as 18/10/2010 from Tirunelveli Division of LIC of India, The life assured died on 19.01.2011 due to Cardiac Arrest within a period of 91 days from the date of commencement of the policy. The complainant, Smt.P.Panimary, nominee under the policy preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured was a physically handicapped person, had paralysis of (L) leg, had difficulty in walking and had not disclosed these facts in the proposal.

A personal hearing of both the parties was held on 13/06/23013.

In claim form B (Medical Attendant's Certificate ) dated 08/04/2011, primary cause of death is mentioned as CVA-Hemiplegic and secondary cause of death is mentioned as RHO- MS-Cardio Embolic stroke. Symptoms of illness is mentioned as " Not able to use (L) upper & lower limbs.". The Insurer has submitted a Concession Certificate ( form for the purpose of Grant of Rail Concession to Orthopedically Handicapped/Paraplegic Person/Patients) dated 09.10.2006 issued by the Chief Medical Officer, Central Hospital for beedi Workers, Mukkudal, Tirunelveli District, Ministry of Labour, Govt. of India, wherein "Nature of Handicap" is mentioned as "Paralysis of (L) leg due to Poliomyelitis." It is also mentioned that she was having difficulty in walking due to paralysis of (L) leg. In the discharge summary dated 19/1/2011 issued by Govt. hospital, Tirunelveli, diagnosis arrived at is mentioned as CVA-Hemiplegic, RHO- MS-Cardio Embolic stroke.

It is clearly established that life assured had the physical deformity at the time of taking the policy and had not disclosed the same in the proposal form.. In view of this, the Insurer was denied the opportunity of assessing the risk properly.

The intermediary, at the point of sale, has not given the true picture of the DLA, while filling up the proposal forms, even after seeing the DLA's physical deformity and condition in person. In view of the above, holding the life assured alone responsible in providing wrong information regarding her body deformity, (proposal was completed under Non-medical) is not justified. The Agent who has recommended the proposal is also equally responsible, if not more. No action seems to have been taken against the concerned agent. On the other hand, the life assured/complainant was penalized by denying the claim.

In view of the above, the Insurer was directed to pay an ex-gratia of Rs.30, 000/- in full and final settlement of the claim,

**The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.**

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**CHENNAI**

**Synopsis**

**AWARD No. IO (CHN) L- 027 /2013-14 Dated 15/07/2013**

**Complaint No. IO (CHN) /21.016.2373 /2012-13**

**Smt.R.Abitha Beevi Vs. Shriram Life Insurance Co. Ltd**

The complainant's husband, Sri. Raja Mohammed, had taken a Shri Plus (Unit Linked) Policy bearing number LN090900148654 for a Sum assured Rs.750000/- with date of commencement as 03.09.2009 He died on 09.11.2011 due to Cancer within a period of 2 years 2months 06 days from the date of commencement of the policy. The complainant, Smt.R.Abitha Beevi, the nominee under the above policy, preferred a claim for the policy moneys with the Insurer. The insurer has repudiated the claim on the grounds of non-disclosure of pre-existing ailments of Hodgkin's Lymphoma(cancer) and the treatment (Radiotherapy and chemotherapy) for cancer in the proposal dated 31/07/2009.

A personal hearing of both the parties was held on 13/06/2013.

In the discharge summary dated 17/09/2011 issued by Barnard Institute of Radiation Oncology, Govt. General Hospital, Chennai, past history of the patient is noted as follows :- Diagnosed as a case of Hodgkins Lymphoma 20 years back, history of RT and Chemo-details not available. The Investigation Officer, (T.Chidambaram) in his report dated Nil, has stated that DLA was a non-smoker and non-alcoholic. It is further said that DLA came to India in October 2010. He complained of pain in hand and was given treatment.. The Investigation Officer has finally concluded that the claim is genuine and has recommended for processing the claim. Another Investigation Officer, Sri.G.Ramamurthy Insurance Surveyor/ Investigator, Hyderabad has mentioned in his report dated 12/03/2012 that DLA had been diagnosed to have Hodgkins Lymphoma about 10 years back and ever since he was on regular treatment schedule. The Investigation Officer has also reported that the claimant and the concerned hospitals are refusing to provide complete medical records. He has also reported that as per the claimant's statement, DLA was diagnosed with cancer about 1 year back. It is also said that death of life assured was due to metastised cancer which had reoccurred after a long gap. The purpose of deputing a second investigator by the insurer is not understood.

The Insurer has relied on the past history recorded in the discharge summary of Govt. General Hospital, Chennai and the Investigation report given by the Investigating officer, Sri G.Ramamurthy of Hyderabad. There is no credible and adequate evidence on record to show that DLA was having the ailment of Hodgkins Lymphoma 20years back and had undergone Radiotherapy and Chemotherapy for the same prior to the date of proposal. There is also no clinching evidence on record to show that DLA had willfully suppressed material facts/ Information. Past medical history, as recorded in the discharge summary of Govt. Hospital, Chennai is not supported by any other documentary evidences. Moreover, it is alleged that the ailment of Hodgkins Lymphoma suffered by the DLA was 20 years earlier..The Insurer has made a reference, in their "rectified" repudiation letter dated 29/02/2012, (sent on 05/03/2012 as per their self-contained note) to the medical reports from Kiot Hospital, Olive Naturopathy Centre wherein, the insurer says, that treating

**Ortho Specialist has issued a letter to the Adyar Cancer Institute, Chennai mentioning the past history of Hodgkin's Lymphoma disease. This document has not yet been produced for verification. Second Investigation report completed by Sri G Ramamurthy, Hyderabad is dated 12/03/2012 whereas the "rectified" repudiation letter is dated 29/02/2012 (sent on 05/03/2012, as per the self-contained note). It is not understood as to how the repudiation decision preceded the investigation (second) and its findings. Thus, it gives an impression that the decision to repudiate the claim is pre-determined. The Insurer was directed to settle the claim for the full sum assured under the above policy in addition to fund value payable as per policy contract.**

**The complaint was allowed.**

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**CHENNAI**

**Synopsis**

**AWARD No. IO (CHN) L- 028 /2013-14 Dated 16/07/2013**

**Complaint No. IO (CHN)/21.02.2495/2012-13**

**Sri. K. Sethumadhavan Vs. Chennai Division-II of LIC of India**

**The complainant's wife, Smt P.A.Anitha, had taken a Jeevan Anand policy (with profits) (with inbuilt accident benefit) bearing number 716694420 for a Basic Sum Assured Rs.100000/- with date of commencement as 28.07.2004 from Chennai Division-II of LIC of India. The life assured was reportedly murdered on 14.12.2004. The complainant, Sri. K. Sethumadhavan, nominee under the above policy, preferred a claim for the accident benefit of additional sum assured with the Insurer. The Insurer rejected the said claim for accident benefit vide their letter dated 29/02/2012 on the grounds that accident benefit is not payable as per the policy conditions 10 (b) (ii)..**

**A personal hearing of both the parties was held on 13/06/2013.**

**During the hearing, both the parties to the dispute presented their versions. .**

**When the insurer's representative's attention was drawn to the applicability of policy condition 10 (b))ii) (on the basis of which accident benefit claim has been rejected) to the complaint under reference, she admitted that a typographical error had crept in while quoting the relevant policy condition, the correct one being 10 (b) (i).**

**As per the Judgment dated 22.10.2010, issued by Special Court for Women, Chennai (Session Court, Chennai) in Case No. 314/2005, the complainant, Sri K Sethumadhavan, (husband and Nominee under the policy) was not in the accused list. The complaint was lodged by Sri K Sethumadhavan himself with the Police Authorities in connection with the murder of his wife, Smt P A Anitha, the life assured under the policy.**

**The Insurer contended during the hearing that, as per the court verdict, the murder was a "Planned Murder" due to illicit relationship, and hence, Accident Benefit claim is not payable as per Policy Condition 10(b)(i).**

The contention of the Insurer in this regard is not tenable since the murder was not planned by the nominee. The complainant, Sri K Sethumadhavan, nominee under the policy, was not in the accused list of the above case as per court verdict. Since the court has not made out any case against Sri Sethumadhavan, the nominee under the policy, no mala-fide intention can attributed to him at this juncture.

It is observed that the Insurer has not explained the policy conditions under 10(b) (ii) to the claimant/complainant while conveying their decision of repudiation of accident benefit claim vide their letters dated 29/02/2012 and 24/08/2012. It is observed that the repudiation of the accident benefit claim under the above policy under policy condition 10 (b) (ii) is not correct. The Insurer was directed to settle the accident benefit claim as per the policy contract.

The complaint was allowed.

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CHENNAI

**SYNOPSIS**

**AWARD No: IO (CHN) L-029 /2013-14 Dated 16/07/2013**

**Complaint No. IO (CHN)/21.07.2439/2012-13**

**M.Rajalakshmi Vs. Tirunelveli Division, LIC of India**

The complainant's husband, Sri P.Marimuthu, had taken a New Janaraksha policy bearing number 323388029 for a Sum assured Rs.50000/- from Tirunelveli Division of LIC of India, with date of commencement as 28.08.2010. He died on 01.01.2011 due to Cardio Respiratory Arrest within a period of 123 days from the date of commencement of the policy. The complainant, Smt.M.Rajalakshmi, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured, before she proposed for the above policy had suffered from tuberculosis for which she was under treatment from June 2009 to December 2009 and the life assured had not disclosed these facts in the proposal form submitted at the time of inception of the policy.

A personal hearing was held on 13/06/2013. The complainant was not present during the hearing. The representative of the insurer presented the versions of the insurer.

In Claim Form B ( Medical Attendant's Certificate ) dated 04/03/2011 completed by Dr.S.Arulraj, Chief Physician, Sundaram Arulraj Hospital, Tuticorin, primary cause of death is mentioned as cardio respiratory arrest with secondary cause mentioned as hepatic encephalopathy bilateral pneumonia / old pulmonary tuberculosis. To a question in the above claim form " what other disease preceded/ co-existed with that which immediately caused the death of life assured", the doctor has replied as" T.B. – 4 years back." He has also mentioned that this history was reported by the wife of the patient (DLA). As per the Certificate dated 14.01.2012 issued by the Medical Officer, V.O.C. Govt. Hospital, Ottapidaram, DLA was under treatment in the Govt. hospital, Ottapidaram from June 2009 to December 2009 and also declared cured from T.B. in December 2009.Primary cause of death of DLA is mentioned as cardio respiratory arrest. There is no close nexus between the primary cause of death ( cardio respiratory arrest) and tuberculosis, which the DLA had suffered 4 years back and got cured by then. However, the secondary cause of death (hepatic encephalopathy bilateral pneumonia / old pulmonary tuberculosis) noted in the claim form B cannot be ignored.

Going by the declaration made by the doctor in his certificate dated 14/01/2012 that the DLA got cured of T.B. in December 2009, we may conclude that there was no fraudulent intention on the part of the insured in not disclosing the said ailment and treatment taken for the same in the proposal papers dated. 22/08/2010 submitted at the inception of the policy.

The Insurer was directed to pay an EXGRATIA amount of Rs.15,000/- (Rupees Fifteen Thousand only) in full and final settlement of the claim.

The complaint was PARTLY ALLOWED on Ex-gratia basis.

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**CHENNAI**

**Synopsis**

**AWARD No. IO(CHN)/ L- 030/ 2013-14 Dated 16/07/2013,**

**Complaint No. IO (CHN)/21.002.2524/2012-13**

**Smt P.Santhi V SBI Life Insurance Co ltd .**

The complainant's husband, Sri. M.Pitchaimuthu, had availed housing loan from State bank of Mysore under loan account no. 64075004387. ( loan type- Home Loan ) He had applied for SBI Life Dhanaraksha Plus LPPT Group insurance scheme under Master policy no. 93000001708 issued to State Bank of Mysore, through membership form no. 933464219 dated 14/03/2011. Member's cover commenced from 17/03/2011. As evidence of insurance cover, Sri. M.Pitchaimuthu was issued Certificate of Insurance (COI) (Membership form no.933464219) for a sum assured of Rs.947031/- at inception. Term of loan is 15 years and Rs. 47,031/- was collected towards premium. The life assured died on

29.12.2011 within a period of 9 months 5 days from the date of commencement of risk. Sum assured covered as on the date of death is 10, 35,754/- (outstanding home loan as on the date of death), as per insurer's self contained note dated 12/10/2012.. The complainant, Smt P.Santhi, wife of the deceased life assured, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the policy holder had given a false Good Health Declaration and had not disclosed material fact at the time of entry into the scheme. They have further added that the life assured was suffering from and was under treatment for heart disease prior to date of enrolment under the above policy.

A personal hearing of both the parties was held on 14/06/2013.

During the hearing, the complainant submitted that her husband, in the year 1997, complained of chest pain and was taken to a hospital. He was cured with tablets. .

In the Medical Attendant's Certificate dated 23/12/2012, primary cause of death of DLA is Acute coronary syndrome with cardiogenic shock. It is also mentioned that DLA was suffering from heart disease for 14 years and was having hypertension. In the Certificate of Hospital Treatment dated 22/02/2012 issued by Kovai Medical Centre and Hospital Ltd., Coimbatore diagnosis arrived at in the hospital is "CAD DC, IWMI." . Other disease or illness which preceded or co-existed with the ailment at the time of admission into the hospital "is given as " hypertension- 1 month, IHD( OLD AWTMI ) 1997. In the treatment summary dated 22/02/2012 issued by Kovai Medical Centre and Hospital Ltd., final diagnosis is mentioned as Acute Coronary Syndrome (Inferior Lateral wall MI), Rescue Angioplasty LAO & RCA, Stent Thrombus- Cardiogenic Shock. It is also mentioned in the said certificate that DLA was a known case of systemic hypertension, Ischemic Heart disease. Had anterior wall MI in 1997 for which he was thrombolysed elsewhere. In the Scan Report of K.S.Heart Scan Centre, Karur dated 31.05.2011, under the heading " Indication", it is mentioned as "OLD AWTMI".

From the records submitted by the insurer, pre-proposal illnesses of the DLA and its non-disclosure have been clearly established. The Insurer's decision to repudiate the claim is fully justified

The complaint was DISMISSED.

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CHENNAI

Synopsis

AWARD No. IO (CHN) L- 031 /2013-14 Dated 22/07/2013

Complaint No. IO (CHN) /21.04.2541 /2012-13

Smt K.Arulselvi Vs. LIC of India, Madurai Division.

The complainant's son, Sri.K.Vageesh, had taken a Jeevan Anand policy bearing no.745622995 for sum assured of Rs.1,50,000/- with date of commencement as 18.11.2008 and a New Janaraksha policy bearing no.745750949 for a sum assured of Rsd.50,000/- with date of commencement as 6/12/2008 from LIC of India, Madurai Division. The life assured died on 27.11.2009 due to Chronic Kidney Disease within a period of 1 y 09 days from the date of commencement of policy 745622995 and 11 months 11 days from the date of commencement of the policy 745750949. The complainant, Smt K.Arulselvi, nominee under the above policies, preferred a claim for the policy monies with the Insurer. The insurer has repudiated the claim on the grounds that the life assured was not maintaining good health, had suffered from Kidney disease prior to the date of proposal and he had not disclosed the above facts in the proposal forms submitted at the time of taking the above policies.

A personal hearing was held on 14/06/2013. The complainant was not present and the representative of the Insurer participated in the proceedings.

In Claim Form B, primary cause of death is mentioned as chronic kidney disease. It is also mentioned that the life assured had been suffering from this disease before his death for the past 5 months. In Claim Form B1, exact history reported at the time of admission into the hospital is mentioned as "Altered sensorium from 18/11/2009. Diagnosis was shown as chronic renal failure systemic hypertension, diabetes mellitus. Other disease or illness which preceded or co-existed with the ailment at the time of patient's admission in the hospital is stated as " swelling of both feet. Cough with expectoration, abdominal pain". It is also mentioned that the above ailment was observed by the patient in July 2009 and it was reported by the patient (DLA) himself. In the "Renal Biopsy Report" dated 09.07.2009, it is mentioned under clinical history that the patient (DLA) had pedal oedema... detected protenuria in 2000.., In the discharge summary dated 11/07/2009 issued by Madurai Kidney Centre & Transplantation Research Institute, Madurai, diagnosis arrived at is shown as CRF/ CKD STAGE V/SYST HT. In the case summary, it is mentioned that the life assured was told to have proteinuria in 2000 for which details were not furnished. In the discharge summary of Apollo Speciality Hospital, Madurai dated 30.07.2009, 19.08.2009, 11.09.2009, 25.09.2009, 10.10.2009, 25.11.2009. final diagnosis arrived at is mentioned as Chronic Kidney Disease (Stage IV), systemic hypertension, ...Type II DM (Steroid Induced) In the clinical summary, it is mentioned DLA was a known case of Chronic Kidney Disease - Stage IV, systemic hypertension, ....type II DM on regular treatment... and was on hemodialysis.

A plain reading of the above observations indicates that the said problem was only 5 months old. Nothing is mentioned about the DLA having suffered from Proteinuria in 2000. Even the leave record for the period July 2008 to December 2009 shows DLA was on long leave with effect from July 2009 only. (Loss of pay). The policies have commenced from 18/11/2008 and 06/12/2008 when there was no such history of disease. In the claim investigation report dated 28/7/2011, against question no.15, the Investigation Officer has replied as "While taking the policy, DLA may be affected slightly by Kidney. Treatment from June 2011 - November 2011. I am unable to collect

details at the time of taking policy. We may proceed on the merit." This, when correlated with discharge summary, clearly leads to a doubt, the benefit of which goes in favour of the insured. The insurer's contention in the SCN that life assured had suffered from Kidney disease since 2000 is far from truth as there is no such record. It's further conclusion that "illness prior to proposal is established" is also not based on proof.

The insurer was directed to pay an ex-gratia amount of Rs.50,000/- (Rupees Fifty Thousand only) in full and final settlement of the claim under both the policies put together.

The Complaint was Partly allowed on Ex-gratia basis.

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CHENNAI

SYMNOPSIS

AWARD IO (CHN) L- 032 /2013-14 dated 24/07/2013

Complaint No. IO (CHN)/21.04.2584/2012-13

Smt.K.Banumathi Vs. Madurai Division of LIC of India

The complainant's daughter, Ms. K.Chitra, had taken a Jeevan Mitra Double Cover Endowment policy with profits bearing number 744733347 for a Sum assured Rs.100000/- from Madurai Division of LIC of India, with date of commencement 12/05/2007. The above life assured died on 16/09/2008 within a period of 1year 4 months 4 days from the date of commencement of the policy. The complainant, Smt. K.Banumathi, nominee under the policy preferred the claim for the policy monies with the Insurer. The Insurer has repudiated the claim on the grounds that the life assured was not maintaining good health, had suffered from kypho scoliosis with respiratory problems since birth, asthma for more than 5 years and took treatment for the same. They have also said that the life assured was thinly built, had congenital anomalies of skeletal system, wheeze etc. and was also having health problems since birth.

A personal hearing was held on 14/06/2013. The complainant was not present and the representative of the Insurer participated in the proceedings.

In claim form B, primary cause of death is mentioned as chronic obstructive pulmonary disease and secondary cause of death is mentioned as respiratory failure. The date on which the life assured first consulted the doctor during the illness is stated as First week of August 2008. In the letter dated 27/02/2009 addressed by Dr.R.Senthilvel Kumar, Senthil Clinic, Thirumangalam to the Insurer, it is mentioned as follows:- ... There is no facilities for in-patient treatment and medical records maintenance in his clinic.. I am doing only consultation. So, it is not possible to provide treatment details and case sheet, history of (late) K.Chitra. That patient, Miss. K.Chitra, was brought by her mother, K.Banumathi in the first week of August



2008 with Complaints of breathlessness, cough .fever for past 4 months. On clinical history and examination (thin built, congenital anomalies of skeletal system, wheeze etc) arrived at the diagnosis of chronic obstructive pulmonary disease with respiratory infection... I have seen 3 times after that with little improvement..... My clinical diagnosis for the cause of death was chronic obstructive pulmonary disease, respiratory infection, respiratory failure". In the Claim Enquiry Report, it is mentioned that DLA was very short. Physically her body growth is not in a normal condition. It is also mentioned that DLA was suffering from chronic asthma for more than 5 years as per symptoms observed. The Investigation Officer has also enclosed X-ray report dated 26/02/1994 taken before the commencement of the policy. The Divisional Medical Referee of the Insurer has given his opinion that, the life assured was having kypho scoliosis with respiratory problems before taking the policy.

From the records submitted by the insurer, It is clear that life assured had the physical deformity and was not maintaining good health at the time of taking the policy. The same were not disclosed in the proposal form.

The Proposer/DLA has failed in her duties to disclose this material information in the proposal form. However, the intermediary, at the point of sale, has not given the true picture of the DLA, while filling up confidential cum moral hazard report, even after seeing the DLA's physical deformity and condition in person. The medical examiner also has not given true picture of the physical impairment of the life assured in his medical report dated 10/05/2007. On the other hand, the medical examiner has certified that life assured appears to be healthy on examination. In view of the above, the Insurer was directed to pay an ex-gratia of Rs.30, 000/- (Rupees Thirty Thousand Only) in full and final settlement of the claim under the above policy.

The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L- 033 /2013-14 Dated 31/07/2013**

**Complaint No. IO (CHN) /21.05.2605 /2012-13**

**Smt. R.Lavanya Vs. Salem Division of LIC of India.**

The complainant's husband, Sri. P.Sasikumar, had taken a Jeevan Anand policy with profits bearing number 703545264 for a Sum assured Rs.5,00,000/- with date of commencement 28/12/2007 and a Jeevan Aastha policy bearing no. 704163207 for basic sum assured of Rs.1,50,000/- with a single premium of Rs.26,250/- and with date of commencement as 20/01/2009 from Salem Division of LIC of India. The above life assured died on 24/03/2010 within a period of 2years 2 months 26 days and 1 year 2 months and 4 days from the date of commencement under policy numbers 703545264 and 704163207 respectively. The complainant, Smt. R.Lavanya, nominee

under the above policies preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured was suffering from rheumatic heart disease, had undergone Double valve replacement and was on anti-coagulation therapy before taking the above policies. The Insurer has already paid an ex-gratia amount of Rs.23625/- under policy no.704163207

A personal hearing of both the parties was held on 14/06/2013.

In the Certificate of hospital treatment dated 09/04/2010, diagnosis arrived at in the hospital is mentioned as Intracerebral hemorrhage with HGIC stroke. Other diseases or illness co-existed or preceded with the ailment at the time of admission into the hospital is noted as "No". In the Medical Attendant's Certificate dated 09/04/2010, primary cause of death is mentioned as Intracerebral hemorrhage and secondary cause is mentioned as Mess effect, Mid line shif/ HGIC stroke.

In the death summary dated 24/03/2010 issued by Vinayaka Mission Hospital, Salem, past history of the patient(DLA) is mentioned as follows:- k/c/o RHD/DVR done-- 20 years back, TIA-1999.(Transient Ischemic Attack). In the Progress Report of the hospital (page 54), it is mentioned that the patient is a known case of RHD, Post DVR status, recurrence stroke.. In the shifting notes of the hospital,(page 84) it is mentioned that the patient is a case of recurrence CVA...RHD - Post DVR STATUS. In the Claim Enquiry Report dated 02/07/2010, it is mentioned that DLA had suffered from RHD and the operation was done at Apollo Hospital, Chennai. The Investigation Officer has also mentioned that DLA did not avail any medical leave since his date of appointment (viz) from 11/07/2008.

The Insurer has solely relied on the discharge summary of Vinayaka Mission Hospital wherein it is stated that the DLA is k/c/o RHD/DVR done 20 years back. Further, there is neither record nor details of the treatment taken for TIA in 1999. The investigating officer only mentioned in his report about the DLA having suffered from RHD and an operation having been performed at Apollo Hospital, Chennai. No details are given. As per the records available, the life assured himself was a Govt. doctor and he had not availed any medical leave since his date of appointment.  
( from 11/07/2008).

The insurer was directed to pay an additional EXGRATIA amount of Rs. 50,000/- (Rupees Fifty Thousand only) in full and final settlement of the claim under both the policies put together.

The complaint was **PARTLY ALLOWED ON EX-GRATIA BASIS.**

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**CHENNAI**

**SYNOPSIS**

**AWARD IO (CHN) L- 0 34 / 2013-14 Dated 31/07/2013**

**Complaint No. IO (CHN) / 21.003. 2500 /2012-13**

**Smt.M.Bhuvanewari Vs. TATA AIA Life Insurance Company Limited**

The complainant's husband, Sri. K.Elango, had taken a TATA AIA Mahalife Gold policy bearing no. C 189856560 with date of commencement as 11/02/2010 for a sum assured Rs.5,00,000/-from TATA AIA Life Insurance Company Limited . The above life assured died on 30/04/2012 within 2years 2 months 19 days from the date of commencement of the policy. The complainant, Smt.M.Bhuvanewari, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim on the grounds that the life assured had suffered from Inferior Wall Myocardial Infarction and had undergone Percutaneous Coronary Angioplasty prior to the application for insurance and this information was not disclosed in reply to the specific questions in the application form dated 08/02/2010 for the above policy.

A personal hearing of both the parties was held on 13/06/2013.

In the Coronary Angiogram Report dated 14/01/2005 of G.Kuppuswamy Naidu Memorial Hospital, Coimbatore, it is mentioned that coronary angiogram and LV angiogram were done through Right Radial Approach. In Proof of death (Physician's statement) issued by Dr.K.Janardhanan, Mohanur, immediate cause of death is mentioned as cardiac arrest . It is also mentioned that PTCA with Stent deployment to right coronary artery done on 15/01/2005 at G.K.M.Hospital, Coimbatore. In the discharge summary dated 18/01/2005 issued by G.Kuppuswamy Naidu Memorial Hospital, Coimbatore, final diagnosis is mentioned as Dyslipidemia, Recent Inferior Wall Myocardial Infarction, (Thrombolysed - 07/11/2004),Moderate Left Ventricular Dysfunction, Coronary Angiogram- Single Vessel Disease 04/01/2005, Stress Thallium Test done-10/01/2005, Percutaneous Transluminal Coronary Angioplasty with Stent to RCA (15/01/2005) . In the discharge summary dated 05/01/2005 issued by G.Kuppuswamy Naidu Memorial Hospital, Coimbatore, final diagnosis is mentioned as Inferior Wall Myocardial Infarction,( Thrombolysed), Mild to Moderate LV Dysfunction, Dyslipidemia, Single Vessel Disease ( Coronary Angiogram-04/01/2005).

From the records submitted by the insurer, pre-proposal illnesses of the DLA and its non-disclosure have been clearly established. The insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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CHENNAI

**SYNOPSIS**

**AWARD No. IO (CHN) L- 035 /2013-14 Dated 31/07/2013**

**Complaint No. IO (CHN)/21.03.2273/2012-13**

**R.Indirani Vs. Coimbatore Division of LIC of India**

The complainant's husband, Sri.M.Ravichandran, had taken a LIC's Jeevan Anand policy bearing number 763884364 for a Sum assured Rs.2,00,000/- with date of commencement as 28.01.2004 from LIC of India, Coimbatore Division. The policy was revived on 27.09.2007 on the basis of DGH & Medical report dated 25.08.2007.(Loan cum revival). He died on 09.10.2007 due to Heart Attack within period of 3 years 8 months 11 days from the date of commencement of the policy and 12 days from date of revival. The complainant, Smt R.Indirani, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim on the grounds that the life assured had suffered from Systemic Hypertension for 1 ½ years prior to revival for which he had consulted medical practitioner for treatment and these facts were not disclosed in the Declaration of Good Health form submitted at the time of revival the policy.

A personal hearing of both the parties was held on 12/06/2013.

As per the discharge Summary of Kausalya Medical Centre, Pollachi, diagnosis arrived at in the hospital was Acute Pulmonary Oedema with Cardiogenic Shock. In the Medical attendant's certificate dated 20.12.2007,, Primary cause of death is mentioned as Cardiac Arrest .....with Secondary cause mentioned as Pulmonary edema with High Blood Pressure. Other disease or illness preceded or co-existed with that which immediately caused the death of life assured is stated as "Hypertension" and "Lower respiratory infection" In the Certificate of Hospital Treatment dated 28/12/2007, , exact history reported at the time of admission into the hospital is mentioned as " Known hypertensive". It is also mentioned that the history was reported by mother of DLA. Diagnosis arrived in the hospital is shown as Pulmonary edema with High Blood Pressure. In the

certificate dated 10/10/ 2008 issued by Dr. R.T. Suresh Kumar it is mentioned that the DLA was undergoing treatment for "Systemic Hypertension" on & off since "January 2006". Medicines prescribed by him for the above treatment have also been noted in the said certificate.

From the records submitted by the insurer, it is clear that the DLA was suffering from Hypertension and was undergoing continuous treatment for the same before the revival date. The Insurer is fully justified in repudiating the claim.

The complaint was DISMISSED.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L 036 /2013-14 Dated 31/07/2013**

**Complaint No. IO (CHN)/21.05.2667/2012-13**

**Smt.M.Vijaya Vs. Salem Division of LIC of India**

The complainant's husband, Sri.R.Mani, had taken a LIC's Profit Plus (Unit Linked) policy bearing number 703509250 for a Sum assured of Rs.50,000/- with date of commencement as 31.12.2007 from Salem Division of LIC of India.. The policy was revived on 13.05.2010 on the basis of DGH dated 13/05/2010 .He died on 13.05.2011 within a period of 3 years 4 months 12 days from the date of commencement of the policy and exactly one year from the date of revival. The complainant, Smt M.Vijaya, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on the grounds that the life assured was suffering from Stage III Immuno deficiency Syndrome and was taking treatment for the same before revival of the policy, . The Insurer has paid an amount of Rs.27,000/- towards eligible fund value under the above policy.

A personal hearing was held on 26/06/2013. The complainant was not present and the representative of the Insurer participated in the proceedings.

As per the Medical attendant's certificate dated 08.07.2011 , Primary cause of death was Cardio respiratory arrest and Secondary cause of death was Stage III Immunodeficiency disease. The Doctor has also recorded that the DLA was suffering from the said disease since 20.04.2010 , he himself was the usual medical attendant of the DLA and he had treated the life assured since 20/04/2010. In the certificate dated 20.12.2011 , issued by the Medical Officer, Anti Retro Viral Treatment Centre, Govt. head Quarters Hospital, Namakkal (ART Centre), it is mentioned that the DLA was suffering from HIV/AIDS and

he was under their care from 20/04/2010 to 13/05/2011. He also gave the Ref. No. as A050804/ART/ NKL dated 20.04.2010. In the Certificate of hospital treatment, diagnosis arrived in the hospital is shown as Stage III Di Immunodeficiency. Date of admission into the hospital is mentioned as 21/04/2010 and date of discharge from the hospital is mentioned as 30/04/2010.

From the above, it is clear that DLA was suffering from HIV/AIDS from 20/04/2010 and was taking treatment for the same (ie) prior to the date of revival. Pre-revival illness of the DLA is clearly established. Repudiation of the claim nullifying revival in the present case is justified.

The complaint was DISMISSED.

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CHENNAI

**SYNOPSIS**

**AWARD No: IO (CHN) L- 037 /2013-14 Dated 31/07/2013**

**Complaint No. IO (CHN)/21.002.2665 /2012-13**

**Smt. R.Chitra Vs. SBI Life Insurance Company Ltd.**

The complainant's husband, Sri.H.Radhakrishnan, had availed housing loan from State bank of India under loan account no. 30758729663. ( loan type- Home Loan ) He had applied for SBI Life Dhanaraksha Plus LPPT Group insurance scheme under Master policy no. 93000000909 issued to State Bank of India, through membership form no. 932926348 dated 25/03/2011. Member's cover commenced from 28/03/2011. As evidence of insurance cover, Sri.H.Radhakrishnan, was issued Certificate of Insurance (COI) (Membership form no.932926348) for a sum assured of Rs.10,26,903/- at inception. Term of loan is 13 years and Rs. 55,903/- was collected towards premium. The life assured died on 06/05/2012 within a period of 1 year 1 month 8 days from the date of commencement of risk. Sum assured covered as on the date of death is Rs.9,79,459/- (outstanding home loan as on the date of death), as per insurer's self contained note dated 26/11/2012. The complainant, Smt R.Chitra, wife of the deceased life assured, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the policy holder had given a false Good Health Declaration and had not disclosed material fact at the time of entry into the scheme. They have further added that the life assured was

suffering from and was under treatment for diabetes mellitus prior to date of enrolment under the above policy.

A personal hearing of both the parties was held on 14/06/2013.

In the Chronic Illness Certificate dated 26/06/2012 issued by Kauvery Hospital, Trichy, it is certified that DLA had Type 2 Diabetes / dyslipidemia and he was under treatment from 26/02/2011. It is also mentioned that the patient expired on 06/05/2012 due to cardiac arrest. In the Claim investigation report given by K.Sumesh, Sun Associates, Ernakulam, it is mentioned that DLA was not having any pre-existing illness and had not availed treatment for any serious illness in the past. It is also said that DLA was not in the habit of smoking and consuming alcohol. The Investigation Officer has said that on enquiry at the medical shops, no information was available regarding purchase of medicines by the DLA for any serious illness. He has also said that there are no documents or information available from the nearby clinics in connection with any treatment or serious illness of DLA. It is also said that, as per the employer's certificate obtained from the employer, DLA did not avail any medical leave in the past 3 years. On enquiry with the relatives of DLA, the Investigation Officer has mentioned in his report that DLA had consulted a diabetologist at KMC Hospital and was taking medicines for the same. He has also mentioned that the wife of the deceased life assured also admitted the same. In the out-patient sheets issued by KMC Speciality Hospital (I) Ltd, Trichy dated 26/02/2011, diagnosis is mentioned as T2 DM/ DLP and duration of diabetes is mentioned as 8 years. Level of blood sugar and B.P. readings as noted in the prescriptions dated 26/02/2011, 06/03/2011 are mentioned below:-

Date	FBS reading	PPBS reading	B.P.readings
26/02/2011	142	174	120/90
05/03/2011	196	183	120/80

In the treatment summary dated 06/05/2012 issued by Kauvery Hospital, Trichy, diagnosis arrived at is mentioned as acute respiratory distress, Sepsis, cardio respiratory arrest, type 2 diabetes mellitus, accelerated hypertension with pulmonary edema. It is also mentioned that DLA was a known case of diabetes mellitus.

It can be seen from the above, though, the DLA was suffering from type 2 diabetes mellitus and taking treatment for the same prior to entry into the group scheme, he was consulting the doctor regularly. DLA was not having any other ailment, as per the records available. The Investigation Officer has also clearly mentioned in his report that DLA had not availed any medical leave for the past 3 years prior to his death and he had attended the office till the previous date of his death. It is also mentioned in the report that DLA was not having any pre-existing illness and had not availed treatment for any serious illness in the past. The life assured had availed housing loan in 2009 and he had taken this coverage in 2011. This aspect may also be considered in this context. In view of the above, the Insurer was directed to pay an ex-gratia of Rs.1,00,000/- (Rupees one lakh Only) in full and final settlement of the claim,

**The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.**

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN)/ L-038 /2013-14 Dated 08/08/2013**

**Complaint No. IO (CHN)/21.07.2668/2012-13**

**Smt.M.Rajeswari Vs. Tirunelveli Division of LIC of India**

The complainant's husband, Sri. M.Murugaiah, had taken LIC's Jeevan Mitra (Double cover Endowment Assurance) policy bearing number 323400237 for a Sum assured Rs.1,00,000 with date of commencement as 22/08/2009 from Tirunelveli Division of LIC of India . The above life assured died on 07.03.2011 within a period of 1 year 06 months 15 days from the date of commencement of the policy. The complainant, Smt M.Rajeswari, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured was not maintaining good health prior to the date of proposal, he was on sick leave from 20/05/2009 to 15/07/2009 for 57 days, just a month prior to signing the proposal and he underwent fissurectomy on 29/06/2009 and was discharged from the hospital on 30/06/2009 .

**A personal hearing of both the parties was held on 26/06/2013**

In the certificate dated 27/08/2011 issued by Sucila Nursing Home, Pavoorchatram, it is mentioned that the life assured had undergone fissurotomy on 29.06.2009.and he was discharged in good general condition on 30/06/2009. In the Claim Enquiry Report, the Investigation Officer has mentioned that the life assured availed medical leave for fissurectomy but not claimed any amount from the dept."

As per claim form E, DLA had availed leave from 18/02/2007 to 14/04/2007- 56 days( suspension?), 20/11/2007 to 09/12/2007- 20 days ( fever) , 25/05/2008 to 03/06/2008 - 10 days ( diarrhea) and 20/05/2009 to 10/07/2009 - 52 days . It is also mentioned that the deceased employee last attended duties on 06/03/2011.

From the above, it is clear that the DLA had undergone fissurectomy on 29.06.2009. The same was not disclosed in the proposal form dated 22/08/2009.

The policy was taken under SSS scheme in the month of August 2009 and premium were paid upto February 2011 without any gap. As per Certificate of Hospital Treatment, diagnosis arrived at in the hospital is Ischemic heart disease and other disease or illness which preceded or co-existed with the ailment at the time of admission into the hospital is chicken pox. The policy had been called in question after 2 years from the commencement of the policy, thereby attracting the provisions of Sec 45 of the Insurance Act 1938. The



fraudulent intentions on the part of the insured have not been fully established by the Insurer.

The Insurer was directed to pay an ex-gratia of Rs.20,000/- (Rupees Twenty Thousand Only) in full and final settlement of the claim, under the above policy.

The complaint was PARTLY ALLOWED under ex-gratia.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN)/ L- 039 /2013-14 Dated 08/08/2013**

**Complaint No. IO (CHN)/21.04.2673/2012-13**

**Smt. A.G.Rani Vs. Madurai Division of LIC of India**

The complainant's husband, Sri.A.Ganesan, had taken a LIC's Endowment policy bearing number 746564160 for a Sum assured of Rs.1,00,000/- with date of commencement as 15.04.2011 from Madurai Division of LIC of India. The above life assured died on 18.05.2011 due to Posterior Circulation Stroke within a period of 01 month 03 days from the date of commencement of the policy. The complainant, Smt A.G.Rani, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on the grounds that the life assured was suffering from DM/HTR for more than one year prior to date of proposal for which he had consulted medical practitioner and had taken treatment.

A personal hearing was held on 26/06/2013. The complainant was not present during the hearing, The representative of the insurer participated in the proceedings.

In the Discharge Summary dated 18.05.2011,(submitted by the Insurer) ( date of admission- 17/05/2011, discharged at request on 18/05/2011) issued by Devadoss Multi- speciality Hospital, Madurai, it is noted in history that the DLA was a known case of DM/HTN, presented with Acute onset of vomiting & giddiness, C/o. pain – back of node of 1 year duration. In the O.P. continuation sheets dated 17/05/2011 it is mentioned that DLA was a known case of DM/ HTN -2 Years - on T.Giriagyl 5 mg, Diabetional 10 mg, Filber... Mety... In the case sheet dated 17/05/2011, it is mentioned that DLA was a known case of HTN FOR 2 YEARS ON REGULAR TREATMENT. In the Nurses Record Sheet dated 17/05/2011, it is also mentioned that DLA was a known case of HTN. In another Discharge Summary (submitted by the complainant along with Form P II & P III) dated 18.05.2011 issued by the same Hospital, it is noted in history that the DLA as "NOT A KNOWN DM/HTN". It is also noted that C/o. pain – back of node of 1 year duration. In claim Form E dated 08.07.2011 submitted by the Employer, it is mentioned that the DLA has availed "Medical Leave " on the following dates.( 3 years

prior to the date of proposal)\_ 18/11/2008 TO 16/12/2008- MEDICAL LEAVE( medical certificate not enclosed).27/08/2009 TO 10-09-2009 cataract operation.

The discharge summary dated 18/05/2011 issued by Devadoss Multi-speciality Hospital, Madurai(submitted by the complainant) varies in many aspects when compared to the one submitted by the Insurer. Two different discharge summaries for the same period of treatment taken by the DLA were issued by the same hospital. . Each Discharge summary contradicts one another regarding the past history of DM/HTN, diagnosis etc. The genuineness of the discharge summaries submitted need to be examined. O.P. continuation sheets, Nurse record sheets submitted by the Insurer supplements the insurer's version regarding the pre-proposal illness of the DLA. The discharge summary submitted by the complainant does not appear to be genuine. Hence, it was not taken into consideration by this Forum.

From the records submitted by the insurer, pre-proposal illness of the DLA is clearly established. Insurer's decision to repudiate the claim is fully justified.

**The complaint was DISMISSED.**

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**CHENNAI**

**Synopsis**

**AWARD No: IO (CHN) / L- 040 /2013-14 Dated 08/08/2013**

**Complaint No. IO (CHN) /21.04.2740 /2012-13**

**Smt.K.Mahalakshmi Vs. Madurai Division of LIC of India**

The complainant's husband, Sri. B.Pandiarajan, had taken a Jeevan Anand policy with profits bearing number 744162784 for a Sum assured Rs.1,00,000/- with date of commencement as 28/03/2006 from Madurai Division of LIC of India. The above life assured died on 25/08/2006 within a period of 4 months 27 days from the date of commencement . The complainant, Smt. K.Mahalakshmi, nominee under the above policy, preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured was suffering from diabetes, took treatment for the same from Dr.A.Parimalavelu, Karaikudi for the last 4 years prior to the date of proposal and had not disclosed the above facts at the time of proposing his life for insurance.

A personal hearing of both the parties was held on 26/06/2013.

In claim form E (Certificate by Employer) dated 17/11/2006, it is said that DLA has not availed any leave during the period from 29/03/2003 to 29/03/2006 . In another certificate dated 03/07/2007, the Employer has mentioned that DLA had not availed any leave on medical grounds during the period 01/03/2003 to 28/03/2006.

In his letter / certificate dated 16/06/2007 addressed to the Branch Manager, LIC of India, Dindigul, Dr. A.Parimalavelu, Siddha Consultant, SA Siddha & Varma Health Centre, Karaikudi, has mentioned as follows:- "Sri Pandiyarajan (late) was my patient for the past 4 years. He was under my treatment for diabetes ....4 years back. His

random blood sugar was above 300/mgs/DP. Then, he started to take medicines. His blood sugar level reduced gradually within one month and under control for past 4 years. His cause of death was not due to uncontrolled blood sugar."In the Claim Enquiry Report, the Claim Investigation Officer has mentioned as follows:- "It is reported that the life assured was diabetic and alcoholic ( proof not available) .The life assured had treatment with Dr. A.Parimalavelu."

The Insurer has solely relied on the letter/ certificate dated 16/06/2007 issued by Dr. A.Parimalavelu,.. The patient's name alone has been mentioned. Age, address etc. of the patient have not been mentioned in the certificate. One may not be able to conclude whether the patient referred to in the certificate and the life assured under the above policy is one and the same person. The identity of the patient could not be established. Also, the Insurer has not submitted any other clinching evidences such as details of treatment taken earlier, prescriptions etc. to substantiate the existence and treatment taken by the DLA for diabetes prior to the date of proposal. The employer's confirmation that DLA had not availed any leave on medical grounds from 01/03/2003 to 28/03/2006 also strengthens the complainant's statement during the hearing that the life assured was not having any ailment till his death. The complainant' contention during the hearing that her husband had taken only one policy and had no intention to withhold any information regarding his health also assumes much significance in this context.

The Insurer was directed to pay an ex-gratia of Rs. 60,000/- (Rupees sixty Thousand Only) in full and final settlement of the claim under the above policy.

**The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS**

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**CHENNAI**

**SYNOPSIS**

**AWARD No. IO (CHN) / L- 041 /2013-14 08/08/2013**

**Complaint No. IO (CHN)/21.03.2666/2012-13**

**Smt.V.Uma Maheswari Vs. Coimbatore Division of LIC of India**

The complainant's husband, Sri. K.Viswanathan, had taken LIC's New Janaraksha policy bearing number 766394947 for a Sum assured of Rs.2,00,000/- with date of commencement 28.07.2010 from Coimbatore Division of LIC of India. The life assured died on 21.11.2010 within a period of 03 months 23 days from the date of commencement of the policy. The complainant, Smt V. Uma Maheswari, nominee

under the policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured had suffered from Peptic Ulcer, had taken treatment for the same and had not disclosed the same in the proposal at the time of effecting the assurance. .

A personal hearing of both the parties was held on 26/06/2013.

In his Claim Enquiry Report dated 23/06/2011 completed by the Chief Manager, LIC of India, Erode B.O., the Investigation Officer has mentioned as follows:- " Enquiry with the neighbors of DLA suggest that the life assured was enjoying good health and that , on 21/11/2010, the life assured died at home on 21/11/2010 due to heart attack. As per the Certificate by the Employer ( Claim form E), completed by PHC, Sennimalai, DLA has availed earned leave from 05/12/2007 to 14/12/2007 on medical grounds. ( copy of medical certificate not submitted to this Forum). In another certificate issued by PHC, Chennimalai, leave particulars of DLA are given as follows:- 23/12/2008 to 16/02/2009 - 56 days earned leave on MC; 08/09/2009 to 16/09/2009 - 9 days unearned leave on MC; 17/04/2009 to 20/04/2009 - 4 days unearned leave on MC; 16/06/2009 to 18/06/2009 - 3 days unearned leave on MC; 01/06/2010 to 20/06/2010 - 20 days Earned leave on medical grounds. In the Medical Certificate for leave issued by Dr.Kannan, Civil Surgeon, Govt. Head Quarters Hospital, Erode, it is mentioned that the above life assured was suffering from Acid Peptic disease and that a period of absence from duty for 20 days with effect from 01/06/2010 is absolutely necessary for the restoration of his health. Clinical condition is mentioned as acid peptic disease. In the medical Certificate for leave dated 01/07/2010 issued by Asst. Medical Officer PHC, Chithode, it is mentioned that a period of absence from duty for 30 days with effect from 01/07/2010 is absolutely necessary for the life assured for restoration of his health. Clinical condition is mentioned as acid severe abdominal pain, c/o nausea. In the certificate dated 08/07/2011 issued by Asst. Medical Officer, Siddha Wing, Govt. Primary Health Centre, Chithode, the doctor has mentioned that DLA came to the Health Centre on 01/07/2010 with the symptoms of abdominal pain and medicines were prescribed for 3 days. The doctor has further said that DLA was advised rest for 1 month and he had not turned up afterwards for further treatment.

The Insurer had relied on the Medical certificates for leave submitted to the Insurer for availing "Leave". No other clinching evidences like prescriptions, Medical Bills, etc.. were made available. The Insurer has also relied on the certificate dated 08/07/2011 issued by Asst. Medical Officer, Siddha Wing, Govt. Primary Health Centre, Chithode. It is also noted that TWO different Doctors have given medical certificate for 30 days for the leave period 01.07.2010 to 30.07.2010. The contention of the complainant that leave for 20 days in June 2010 was taken in connection with the betrothal function of her daughter could not be ignored. One of the Investigation Officers has mentioned that there is no record for any treatment taken from Chinnamalai Primary Health Centre., It is also mentioned that supporting evidence or discharge summary is not available. Moreover, the life assured was medically examined by one of the approved Medical Examiners of the Insurer and on the basis of the medical report submitted by him at the inception of the policy, the policy was issued. No adverse medical findings were noted in the medical report..

**The Insurer was directed to pay a sum of Rs 20000/- (Rupees Twenty Thousand only) on ex-gratia basis in full and final settlement of the claim under the above policy.**

**The complaint was PARTLY ALLOWED UNDER EX-GRATIA.**

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## CHENNAI

### SYNOPSIS

**AWARD No: IO (CHN) L-042 /2013-14 Dated 08/08/2013**

**Complaint No. IO (CHN)/21.04.2674/2012-13**

**Sri .C.Suresh Vs. Madurai Division, LIC of India**

The complainant's brother, Sri.C.Prabhu had taken a LIC's New Bima Gold policy bearing number 746724303 for a Sum assured of Rs.1,00,000/- with date of commencement as 26.02.2011 from Madurai Division of LIC of India . The above life assured died on 13.09.2011 within a period of 06 months 17 days from the date of commencement of the policy. The complainant, Sri.C.Suresh, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on the grounds that the life assured was suffering from intermittent high grade fever for one month, took treatment on 18/08/2010 , was also suffering from HIV – herpes zoster since 08.2010 ( which is prior to date of proposal) and he did not however disclose these facts in the proposal submitted at the time of proposing his life for insurance.

A personal hearing of both the parties was held on 26/06/2013.

In the Discharge Summary of Apollo Hospital, Madurai ,( date of admission-06/09/2011, date of discharge-13/09/2011), diagnosis arrived at is shown as Immune Compromised Status. Condition on discharge is mentioned as "Drowsy, opening eyes on painful stimuli, On NIV". It is also noted in Initial Patient Assessment Record ( Page No. 31) of Apollo Hospital dated 06/09/2011 that the DLA was having the history of "herpes Zoster "- treated in 2010 and in May 2011. In the Consultation Request of Apollo Hospital, Madurai dated 06.09.2011, it is also mentioned that DLA was having medical history "Herpes Zoster" in 2010. (Page - 44).

In the CIR dated 03.02.2012, the Investigation Officer has mentioned that he has verified the Service register of the above employee at the head office at Tirupalai and has confirmed that the life assured had taken the following Medical Leave prior to the date of proposal :-

<b>Sl.No.</b>	<b>Dates of leave taken</b>	<b>No. of days</b>
<b>1</b>	<b>11.03.2009 – 31.03.2009</b>	<b>21 days</b>
<b>2</b>	<b>28.04.2009 – 07.03.2009</b>	<b>10 days</b>
<b>3</b>	<b>29.07.2009 - 04.08.2009</b>	<b>7 days</b>
<b>4</b>	<b>16.08.2010 – 30.09.2010</b>	<b>46 days</b>

5	23.11.2010 – 28.11.2010	6 days
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From the records submitted by the insurer, it is clearly established that the DLA was suffering from HIV positive prior to the date of proposal. Pre-proposal illnesses of the DLA and its non disclosure have been clearly established. The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

#### SYNOPSIS

AWARD No: IO (CHN) L-043 /2013-14 dated 08/08/2013

Complaint No. IO (CHN)/21.07.2712/2012-13

Sri. A.John Rose Vs. Tirunelveli Division, LIC of India

The complainant's son, Sri. J. Dinesh, had taken LIC's Endowment policy bearing number 323043173 for a Sum assured Rs.3,00,000/- with date of commencement as 05.06.2009 from Tirunelveli Division, LIC of India . The above life assured died on 23.06.2010 within period of 1 year 18 days from the date of commencement of the policy. The complainant, Sri. A.John Rose, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured had suffered from seizure disorder, had taken treatment at Military hospital, was placed under Low Medical category PA 2 (permanent) and did not however disclose these facts in his proposal at the time of effecting the assurance.

A personal hearing of both the parties was held on 26/06/2013.

In Claim Form B dated 23.09.2010 signed by Major Gupta, MO (Medicine)/167MH;c/o 56APO, Primary cause of death is recorded as Viral Meningo Encephalitis with Speticaemia and abnormal behavior with altered sensorium. In Form B1 also, it is recorded that the DLA was a known case of Seizure disorder. As per the Medical Board Proceedings for "Recategorisation" it is recorded that the DLA was having "SEIZURE" and was placed under 'weak category P 2 (Permanent) w.e.f. 13.02.2008. Pre-proposal illness has been established. The policy was issued with Quarterly mode and premiums stand paid upto the due 06/2010. The DLA had been in Indian Army as Tech. Soldier (Sepoy) where he can get the treatment instantaneously from Army Medical Hospital, if there were any major problems with his health. Hence the submission by the complainant that the DLA was in good health at the time of signing the proposal could not be ignored. Moreover, the DLA would have been terminated/discharged from his duties (from Army), if he was having very serious problem. He was placed under Low Medical category PA 2 only. The Insurer had relied on Form B & B1 submitted by the Employer. . No other substantial evidences like prescriptions, Medical Bills, etc.. were made available. The Insurer was directed to pay the complainant a sum of Rs 25000/- (Rupees Twenty Five Thousand only) in full and final settlement of the claim.

The complaint was PARTLY ALLOWED under ex-gratia.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L- 044 / 2013-14 dated 18/08/2013**

**Complaint No. IO (CHN) / 21.05. 2931 /2012-13**

**Sri. K.Marikannu Vs. Salem Division , LIC of India**

The complainant's daughter, Ms.M.Priyatharshini, had taken a New Jana Raksha policy bearing no 704599117 for a sum assured of Rs 50,000/- with date of commencement as 26/08/2010 from Salem Division of LIC of India. The above life assured died on 24/04/2011 within a period of 7 months 28 days from the date of commencement of the policy. The complainant, Sri.K.Marikannu, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured, before she proposed for the above policy, was suffering from Systemic Lupus Erythematosis, was taking treatment for the same and these facts were not disclosed in the proposal.

A personal hearing of both the parties was held on 12/07/2013.

Diagnosis arrived at in the hospital, as per the discharge summary dated 15/04/2003 issued by St.John's Medical College Hospital, Bangalore -- Systemic Lupus Erythematosis. Iron Deficiency Anemia, LRTI (Recovered). It is also mentioned that " Lymph node biopsy done and report showed reactive changes with par cortical expansion"( date of admission-03/04/2003, date of discharge-15/04/2003). In the Discharge Summary dated 24/04/2011 issued by St.John's Medical College Hospital, Bangalore, under the heading "History", it is mentioned as" Patient is k/c/o SLE diagnosed 7 years ago on RX. .She had stopped RX 3 years ago voluntarily. She was also diagnosed with Lupus Nephritis and had severe PIH with a missed abortion at 15 weeks of gestation in February 2011.....". Diagnosis arrived at in the hospital, as per the discharge summary dated 07/03/2011 issued by St.John's Medical College Hospital, Bangalore- " SLE – ANA positive, DCT negative, ..., Anemia., .., HTN – Grade III HTN Retinopathy, Lupus Nephritis..." In the history , it is mentioned as " 15<sup>th</sup> week of GA, k/c/o SLE with missed abortion". In Claim Firm B1 (Certificate of Hospital Treatment) dated Nil issued by St.John's Medical College Hospital, Bangalore, it is mentioned that DLA was a known case of SLE for 7 years (2003), Stopped RX 3 years ago.

From the records submitted by the insurer, pre-proposal illnesses of the DLA and its non-disclosure have been clearly established. The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.



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**CHENNAI**

**Synopsis**

**AWARD No: IO (CHN) L- 045 / 2013-14 Dated 18/08/2013**

**Complaint No. IO (CHN) / 21.03. 2934 /2012-13**

**Smt. K.Savithri Vs. Coimbatore Division, LIC of India**

The complainant's husband, Sri.A,Krishnan, had taken a Money Plus policy bearing no 764682184 for sum assured of Rs 1,00,000/- with date of commencement as 08/03/2007 from Coimbatore Division of LIC of India. The policy was revived on 21/05/2008 (premium due adjusted at the time of revival- March 2008) on the strength of Personal Statement Regarding Health dated 19/05/2008. The life assured died on 22/12/2009 within a period of 1 year 7 months 1 day from the date of revival and 2 years 9 months 14 days from the date of commencement of the policy. The complainant, Smt.K.Savithri, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured, before proposing for the above policy, had suffered from Diabetes Mellitus/ Hypertension/ Coronary Artery Disease- AWTMI/CHF/CRF, had consulted medical men, had taken treatment and was on medical leave from 07/08/2006 to 14/08/2006 (8days) and from 23/08/2006 to 30/08/2006 (8days),They have also said that the life assured was on medical leave at the time of reviving the policy and he had not disclosed these facts in the proposal and personal statement regarding health(DGH) They have also said that they have repudiated the risk portion of the claim and that they have entertained the claim for the fund value of the units only(ie) Rs.27433/- held under the policy-holder's account as on the date of booking the liability.

A personal hearing of both the parties was held on 12/07/2013.

From the records submitted by the insurer viz claim form B-1, Claim form B, It is clear that, the DLA was suffering from DM/HT/CAD- old AWTMI/ IHF and was taking treatment for the same before revival of the above policy. Following leave particulars are furnished in Claim Form E dated 31/08/2010 issued by The Head Master, Bhavani P.U.Middle School, Punnam :- 2004-2005-Nil; 2005-2006- Nil '2006-2007- 16 days – Medical leave; 2007-2008-10 days – Medical leave;2008-2009-70 days – Medical leave; In the medical certificate for leave dated 07/08/2006 issued by Dr.S.P.Kandasamy, it is mentioned that DLA was suffering from Acute Bronchitis and he was advised to take rest for 8 days. In the medical certificate for leave dated 23/08/2006 issued by Dr.S.P.Kandasamy, it is mentioned that DLA was suffering from Amoebic dysentery and he was advised to take rest for 8 days. In as much as suppression of pre-revival illness is clearly established, repudiation of the claim by the Insurer is justified.

On perusal of the documents available, it is found that the Insurer has not taken steps for payment of the said bid value which was also confirmed by the representative of the insurer during the hearing. The Insurer's decision to repudiate the claim nullifying revival in the present case is fully justified. However, the complainant was advised to avail the

Insurer's offer of payment of the Fund value of Rs.27,433/- , as per the policy conditions. The Insurer was directed to pay interest on the Fund value for the period reckoned from the date of receipt of intimation of death to the date of settlement at the rate prescribed under the guidelines laid down for settlement of claims in IRDA Protection of Policyholders' Interests Regulations 2002 .

The complaint was PARTIALLY ALLOWED.

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CHENNAI

**SYNOPSIS**

**AWARD No: IO (CHN) L047 / 2013-14 Dated 16/08/2013**

**Complaint No. IO (CHN)/21.03.2887/2012-13**

**Smt.D.Nirmala Vs. Coimbatore Division, LIC of India**

The complainant's mother, Smt.A.Mohansundari, had taken a LIC's Jeevan Anand policy bearing number 766014946 for a Sum assured of Rs.1,00,000/-s with date of commencement as 28.03.2009 from Coimbatore Division of LIC of India.. The above life assured died on 30.07.2011 within a period of 2 years 4 months 2 days from the date of commencement of the policy. The complainant, Smt. D.Nirmala, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on the grounds that the life assured took treatment for Hypothyroidism for more than 20 years, had availed medical leave on different occasions between 10/05/2006 to 24/09/2008 and had not disclosed these facts in the proposal.

A personal hearing was held on 12/07/2013.

In the Discharge Summary of Perundurai Medical College & Hospital, Perundurai Santorium, (Date of admission as 11.03.2011 and date of discharge as 14.03.2011), diagnosis arrived at in the hospital is shown as " Type II DM with SHT with Hypothyroidism with psoriasis Vulgaris". It is also mentioned that the patient was a known case of Hypothyroidism , Reg Rx, DM with SHT – 15 years. It is also said that the patient was a known case of Psoriasis with a known history of Attained Menopause.

In the out-patient case sheet of Perundurai Medical College & Hospital , Perundurai dated 19/03/2011, it is mentioned that DLA was a known case of Hypothyroidism for 20 years and also a known case of DM.

As per Claim Form-E dated 15.11.2011, issued by Block Medical Officer, Govt. Block Primary Health Centre, Kunnathur, DLA had availed leave on medical grounds on the following dates (prior to the date of proposal):-

Dates of absence	No. of days	Grounds of leave	M/C given
10.05.2006-08.06.2006	30	UEL ON mc	YES
11.07.2006-25.07.2006	15	UEL ON MC	YES

25.09.2008- 19.10.2008	25	UEL ON MC	YES
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The representative of the complainant admitted during the hearing that DLA was taking medicines for Hypothyroidism for the past 4 years prior to her death.

From the records submitted by the Insurer, pre-proposal illness of the DLA is clearly established. The Insurer's decision to repudiate the claim is fully justified

The complaint was DISMISSED.

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CHENNAI

### Synopsis

**AWARD No: IO (CHN) L – 048 /2013-14 Dated 18/08/2013**

**Complaint No. IO (CHN)/21.05.2758/2012-13**

**Smt.V.Saraswathi Vs. Salem Division , LIC of India**

The complainant's husband, Sri.N.S.Vadivel, had taken a LIC's Jeevan Anand Policy bearing number 703302018 for a Sum assured of Rs.1,00,000/- with date of commencement as 21.11.2007 from Salem Division of LIC of India. The above life assured died on 30.05.2010 within a period of 02 years 06 months 09 days from the date of commencement of the policy. The complainant, Smt V.Saraswathi, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim on the grounds that the life assured, before he proposed for the above policy, was suffering from Immuno deficiency with Pulmonary Tuberculosis and was on medical leave on different occasions during the period April 2007 to March 2008.

A personal hearing of both the parties was held on 12/07/2013.

In Claim Form B (Medical attendant's certificate) dated 30.05.2, Primary cause of death is mentioned as T.B. and Secondary cause of death is mentioned Hepatic encephalopathy. It is also mentioned that the DLA was suffering from the above ailments for 15 days prior to his death. In Claim Form B1 dated 30/05/2010, diagnosis arrived at in the hospital is mentioned as TB with .....jaundice. In the certificate dated 16.09.2011 , issued by the Superintendent, Govt. Hospital of Thoracic Medicine, Tambaram Sanatorium, Chennai it is mentioned as follows: " The patient ( Sri Vadivel, S/o Sengodan, No.11, Choraiyan ST., Th;ivasal, Attur, Salem) came to our hospital on 13/05/2002 for the complaint of cough, sputum, fever, weight loss, weakness for one month. Investigation done on the same day and diagnosed as Immuno Deficiency with Pulmonary Tuberculosis and patient treated as out-patient till 16/06/2005. His out-patient no is 3294052002. Treatment - Patient was treated with anti tuberculosis drugs, .... and other supportive drugs. Diagnosis- Immuno Deficiency with Pulmonary

Tuberculosis." In the certificate by Employer dated 29.07.2010 issued by Asst. Manager(Perl. & Security), TNSTC (SALEM) Ltd., Salem-7, it is mentioned that the DLA had availed leave on medical grounds for 34.5 days from 04/2007 to 03/2008 for which break-up figures have not been. Nature of illness has not been mentioned. In the Claim Enquiry Report dated 24/12/2010, the Investigation Officer has mentioned that the insured seemed to be sick and was having continuous cough for the past three years.

From the records submitted by the insurer, pre-proposal illness of the DLA is clearly established. Insurer's decision in repudiating the claim is fully justified

**The complaint was DISMISSED.**

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**CHENNAI**

#### **SYNOPSIS**

**AWARD No: IO (CHN) L- 049 / 2013-14**

**Complaint No. IO (CHN) / 21.003.2772 /2012-13**

**Smt.Ansari Jan Vs. Tata AIA Life Insurance Company Limited.**

The complainant's husband, Sri.A.Inayathulla Khan, had taken TATA AIG LIFE Lakshya Plus policy bearing no U143230643 for a sum assured of Rs2,50,000/- with date of commencement as 30/03/2010 from Tata AIA Life Insurance Company Limited. The above life assured died on 24/02/2012 within a period of 1 year 10 months 24 days from the date of commencement of the policy. The complainant, Smt.Ansari Jan, wife of the life assured and the nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer rescinded the above policy from inception on the grounds that the life assured had been suffering from Diabetes Mellitus and Hypertension since prior to the application for insurance and this information was not declared in the application form dated 27/03/2010 for the above policy. They have also said that their liability under the above policy is restricted to Rs.40938/- (fund value).

A personal hearing was held on 19/07/2013.

As per the Certificate dated 23/04/2012 issued by Dr.A.Syed Abuthaahir, M.V.Hospital For Diabetes (P) Ltd., Royapuam, Chennai, as per the Investigation Sheet dated 12/12/2009, as per the discharge summary dated 22/12/2010 issued by Salem Hospitals Private Limited, Salem and as per the Claim Investigation Report dated 19/04/2012 issued by Sri K.Gopalakrishnan, Insurance Investigator, it is clear that the DLA was suffering from Diabetes Mellitus and Hypertension even before the proposal date. The complainant has also admitted that her husband was a chronic and a prolonged diabetic patient even when he was in service. Pre-proposal illnesses of the DLA and its non-disclosure have been clearly established.,

The Insurer has rescinded the above policy from inception and has settled units value available under the above policy as per their letter dated 02/05/2012 addressed to the complainant. (Rs.40938/- paid on 02/05/2012) , Section 64 of the Indian Contract Act ( Rescission of a contract ) stipulates that when a person at whose option contract is voidable, rescinds it, the other party there to need not perform any promise therein contained in which he is a promisor. The party rescinding a contract shall, if he has received any benefit there under from another party to such contract, restore such benefit, so far as may be, to the person from whom it was received. In view of the above, in the present case, the Insurer is liable to refund the full premiums received under the above policy, as the policy has been rescinded from inception by the Insurer.

Insurer's decision to rescind the contract is fully justified. However, the insurer was directed to refund the entire premiums received under the above policy (less amount already settled by way of payment of unit value) for the reasons mentioned above.

The complaint was PARTLY ALLOWED.

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CHENNAI

#### SYNOPSIS

AWARD No: IO (CHN) L-50 /2013-14

Complaint No. IO (CHN)/21.07.2938/2012-13

Sri M.Sivasankarapandian & Sri. M.Hari Balakrishnan Vs. Tirunelveli Division, LIC

The complainant's brother, Sri.M.Sivasubramanian had taken a LIC's New Bima Gold policy bearing number 323264222 for a Sum assured of Rs.5,00,000/- with date of commencement as 27.05.2009 from Tirunelveli Division of LIC of India. He died on 14.04.2011 within a period of 01 year 10 months 17 days from the date of commencement of the policy. The complainants, Sri M.Sivasankarapandian & Sri. M.Hari Balakrishnan, nominees under the policy preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim on the grounds that the life assured was not maintaining good health, was suffering from diabetes mellitus /Hypertension for the past 10 years ( as per the hospital records) and had not disclosed the above facts at the time of proposing his life for insurance.

A personal hearing of both the parties was held on 19/07/2013.

In Claim Form B dated 01.06.2011, primary cause of death is mentioned as Diabetic /CKD V and secondary cause of death is mentioned as Sepsis/Metabolic encephalopathy. For the question " How long the patient(DLA) had been suffering from this disease before his death" reply is given as" Diabetic Type II- 10 YEARS, crf- 4 months". For another question, "what other disease or illness preceded/co-existed with that which immediately caused his death ", reply is given as" Type II Diabetes Mellitus-20

years Cellulites@ foot-10 days." In the Consultation sheet dated 27/10/2010 issued by Sundaram Medical Foundation Dr. Rangarajan Memorial Hospital, Chennai,( date of admission - 25.10.2010, date of discharge-28/10/2010), it is mentioned that the patient (DLA) was a known case of diabetes and had a history of Nacturia for the past 2-3 years In the discharge summaries dated 16/11/2010, 26/11/2010, 11/01/2011,19/03/2011,27/10/2011 issued by Subramaniam Nursing Home ( Kidney Care Centre), Tirunelveli, under the heading" problems" , it is mentioned as diabetic Mellitus/ Hypertension since 10 years. In the Discharge Summary of Madurai Kidney Centre and Transplantation Research Centre, Madurai, dated 14/04/2011 it is mentioned that the patient ( DLA) was a known case of diabetes for 10 years. In their letter dated 27/10/2011 addressed to the Insurer, , Subramaniam Nursing Home, , (Kidney Care Centre) , Tirunelveli, it is mentioned that the Hospital Authorities came to know that the patient(DLA) had DM/ HT since 10 years from the statement given by the patient's relatives.

From the records submitted by the insurer, pre-proposal illness of the DLA is clearly established. Insurer's decision to repudiate the claim is fully justified

The complaint was DISMISSED.

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CHENNAI

#### Synopsis

AWARD No: IO (CHN) L- 051 /2013-14 Dated 21/08/2013

Complaint No. IO (CHN) /21.04.3048 /2012-13

Smt.G.Venkateswari Vs. Madurai Division , LIC of India

The complainant's husband, Sri. M.Ramaraj, had taken a Wealth Plus policy with profits bearing number 746224634 for a Sum assured Rs.1,25,000/- with date of commencement 31/3/2010 from Madurai Division of LIC of India. The life assured under the above policy died on 23/09/2010 within a period of 5 months 22 days from the date of commencement .The complainant, Smt. G.Venkateswari, nominee under the above policy preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured was a known case of diabetes mellitus and hypertension and he had not disclosed the above facts at the time of proposing his life for insurance.

A personal hearing was held on 19/07/2013. The complainant was not present during the hearing.

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In the Emergency Medical Certificate dated 15/10/2010 issued by Grace Kennett Foundation Hospital, Madurai, it is mentioned that DLA was admitted on 17/09/2010

in a critical condition in HDU burns unit for intensive care as a case of 48% Accidental Burns /DM/HT. He was treated as an inpatient till 23/09/2010. In the Out-patient sheet dated 17/09/2010 issued by Govt. Hospital, Thirumangalam it is mentioned as "Alleged history of pouring petrol on Kuthivillaku and fire occurred." In the Admission Record of Grace Kennett Foundation Hospital, Madurai (dated 17/09/2010), against "History", it is mentioned as " Alleged history of accidental thermal burns while carrying petrol bottle in his hand and accidental fall over the lamp in front of his house under the influence of alcohol ... Patient known DM/HT is on drugs." It is also said that he was earlier treated in Govt. Hospital and came here for further management. Against " Provisional Diagnosis" , it is mentioned as " 48% Accidental Thermal Burns: / DM/HT" Cause of death is mentioned by the hospital authorities as sudden cardio respiratory arrest due to MODS due to 48% accidental thermal burns. In Post- Mortem Certificate dated 23/09/2010 , opinion is given as follows:- " The deceased would appear to have died of extensive superficial burns of 50% and its complications thereof." As per the First Information Report dated 2/09/2010, the complainant, Smt. G.Venkateswari , has lodged a complaint in which it is stated that due to ill-health, her husband was on leave on medical grounds for the past 3 months. On 17/09/2010, being a Friday, she was sitting in front of her house with a oil lamp lighted in front of the house. Her husband, who had gone earlier to buy petrol for his two wheeler, was returning home with petrol in a bottle. He stumbled on kicking a stone and fell on the oil lamp. The petrol bottle opened, fire broke-out and her husband sustained injuries. In the Police Inquest Report dated 23/09/2010, the same version has been given. In the Claim Enquiry Report dated 28/03/2011, the Claim Investigation Officer has mentioned that DLA was alcoholic and was on drugs for diabetes mellitus and hypertension. The Investigation Officer has further said that DLA was having strained relationship with his wife due to some family dispute. On 17/09/2010, DLA came home in a drunken state, went inside his house. There was shouting inside the house due to family dispute. Soon, he came out engulfed in fire and his neighbours helped him to put out the fire. DLA died on 23/09/2010 and his wife lodged FIR with the Police Authorities on 23/09/2010. It is also said that the DLA committed suicide due to family dispute by self – immolation on 17/09/2010.His wife has converted the suicide attempt of her husband into fire accident and she has suppressed the fact of suicide to avoid legal action by the police against her.

The Insurer has mentioned in their repudiation letter that DLA was a known case of diabetes mellitus and hypertension and was not maintaining good health. They have also mentioned that DLA was under the influence of alcohol at the time of accident, as per the hospital records. In the hospital records, it is clearly mentioned that DLA was a known case of diabetes mellitus and hypertension. Duration of the ailments has not been mentioned. Records submitted by the Insurer do not clearly establish that DLA was suffering from DM/HT before the proposal date. Also treatment particulars for DM/HT prior to the date of proposal have not been produced. Death has occurred within a period of 5 months 22 days from the date of commencement of the policy and the possibility of DLA having suffered from DM/HT prior to the date of proposal could not be ruled out. In the Admission Record of Grace Kennett Foundation Hospital, Madurai (dated 17/09/2010), it is mentioned that DLA accidentally fell on

the lamp in front of his house under the influence of alcohol. In FIR and PMR, it is not mentioned that DLA was under the influence of alcohol when the fire accident occurred.

The Insurer was directed to pay an ex-gratia of Rs.40, 000/- (Rupees Forty Thousand Only) in full and final settlement of the claim under the above policy. Further, the complainant was advised to avail the Insurer's offer of payment of the bid value of the units available under the above policy, as per the policy conditions.

**The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS**

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**CHENNAI  
SYNOPSIS**

**AWARD No: IO (CHN) L 052 /2013-14 Dated 26/08/2013  
Complaint No. IO (CHN)/21.04.2012/2013-14  
Smt.S.Mokkathai Vs. Madurai Division, LIC of India**

The complainant's husband, Sri M.Sekar, had taken three policies from Madurai Division of LIC of India as per the following details:-

744108314 *	744107855	746745075
08.06.2010	11.2009	06.07.2009
08.07.2010	14.11.2009	06.07.2009
1,00,000	50,000	55,000

- POLICY UNDER DISPUTE.
- Claim under other TWO polcies stands settled.

The above life assured died on 15/05/2012 within a period of 1 year 10 months 07 days from the date of commencement of the policy bearing number 744108314. The complainant, Smt. S.Mokkathai, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on 07/09/2012 under policy no.744108314 on the grounds that the life assured had made incorrect statement and withheld correct information from them regarding the details of previous policy (bearing number 746745075) at the time of effecting the insurance. They have also added further that had it been disclosed, they would have called for special medical reports.

A personal hearing was conducted on 26/07/2013. The complainant was not present and the representative of the insurer attended the hearing.

DLA has not furnished the details of previous policy no.746745075 ( introduced by the agent, Sri.Muregesan at Periyakulam Branch) in the proposal dated 08/06/2010 under policy no.744108314 (introduced by the agent, Sri.R.Chandrasekar at Bodinayakkanur Satellite Office) whereas details of policy no.744107855 ( introduced by Sri. R.Chandrasekaran at Bodinayakkanur Satellite Office) were furnished. All the three policies were under-written



based on the Full Medical Reports obtained then. The insurer has contended that , had the details of policy no. 746745075 been declared in the proposal dated 08/06/2010 under policy no. 744108314, further medical reports like ECG & FBS would have obtained and the proposal under-written accordingly.

The proposal form specifically calls for previous policy particulars. DLA has not furnished the details of one previous policy he had with the Insurance company. There is a clear case of suppression of material facts. The Insurer's decision to repudiate the claim is fully justified for non-disclosure of all earlier policies in the proposal form.  
The complaint was DISMISSED.

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CHENNAI

#### SYNOPSIS

AWARD No: IO (CHN) L- 053 /2013-14 Dated 27/08/2013

Complaint No. IO (CHN) /21.07.2026 /2013-14

Smt.T.Nagammal Vs. .Tirunelveli Division, LIC of India

The complainant's husband, Sri. S.Thomma Raj, had taken a Jeevan Mitra Double Cover Endowment Assurance policy bearing no. 321871731 for a sum assured of Rs.1,00,000/- with date of commencement as 26/06/2006 from LIC of India, Tirunelveli Division. The above life assured died on 15/12/2008 within a period of 2 years 05 months 19 days from the date of commencement of policy. The complainant, Smt T.Nagammal, nominee under the above policy preferred a claim for the policy monies with the Insurer. The insurer has repudiated the claim on the grounds that before proposal date, the life assured was not maintaining good health, was admitted in the hospital on 26/09/1999, diagnosed to be suffering from Coronary Artery disease- Triple Vessel, HT, Old ASMI, DM , had last attended the CMC hospital in June 2005, was a known case of Diabetes Mellitus and Hypertension , on treatment for 10 years and had a history of bypass surgery. The insurer has confirmed in their e-mail that the premium of Rs.8793/- received after the death of the life assured was refunded with interest of Rs.3770/- (totaling to Rs.12563/-) to the complainant.

A personal hearing of both the parties was held on 26/07/2013

In Claim Form B -1, date of admission in the hospital is mentioned as 26/09/1999 and date of discharge from the hospital is mentioned as 19/10/1999. Diagnosis arrived at in the hospital is Coronary Artery Disease-Triple Vessel. The exact history of the patient's ailments reported at the time of admission is mentioned as Old Anterior Wall MI Excesional Aryine. In Claim Form B-2 dated 17/08/2011, diagnosis arrived at in the hospital is shown as Hypertension, Diabetes Mellitus, Coronary Artery Disease, Excessional Aryine, Old ASMI (date of admission- 26/09/1999) In the Claim Form B-2 (Certificate of Treatment) dated 13/01/2010 issued by Dr.S.Swarnam, diagnosis arrived at

is shown as Coronary Artery Disease. Other disease or illness preceded or co-existed with the ailment at the time of admission in the hospital is mentioned as Hypertension/DM.. In Claim Form B, primary cause of death is mentioned as Coronary Artery disease with secondary cause mentioned as Diabetes Mellitus. It is also mentioned that DLA was suffering from these ailments since 10 years prior to his death. In the Certificate dated 20/12/2008 issued by Sacred Heart Hospital, Tuticorin , it is mentioned that DLA was a known case of DM/HT on RX for 10 years. It is also said that DLA had the history of Bypass surgery and the patient is on Aspirin treatment. The complainant has also admitted that the life assured had heart surgery in the year 1999.

From the records submitted by the insurer, pre-proposal illness/ailment of the DLA is clearly established. The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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**CHENNAI**

**AWARD No: IO (CHN) L- 054 / 2013-14 Dated 27/08/2013**

**Complaint No. IO (CHN)/21.04.2029 / 2013-14**

**Smt.K.Rajeswari Vs. Madurai Division, LIC of India**

The complainant's husband, Sri.K.Kavimani Srinivasn, had taken a New Janaraksha policy (with profits-with accident benefit) bearing number 746200248 for a Sum assured of Rs.50,000/- with date of commencement as 28/05/2009 from Madurai Division of LIC of India. The proposal for the above policy is dated 25/12/2009 and the policy was back-dated to 28/05/2009. The policy was revived on 19/12/2011 by adjusting the premiums for the dues 05/2010 & 05/2011 on the basis of personal statement regarding health ( DGH) dated 19/12/2011. The above life assured died on 07/01/2012 within a period of 18 days from the date of revival and within a period of 2years 07 months 09 days from the date of commencement of the policy. The complainant, Smt.K.Rajeswari, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on the grounds that the life assured had 60% disability with both the legs affected and he had not disclosed these facts at the time of proposing his life for assurance.

A personal hearing of both the parties was held on 26/07/2013.

As per the National Identity Card and Pass Book with Disability Certificate dated 27/04/2011 issued by Department of Rehabilitation of the Government of Tamil Nadu, DLA was a case of PPRP affected both legs .... And had 60% permanent physical impairment . Cause of death is mentioned as Cardio pulmonary arrest in the Medical Certificate dated 07/01/2012 issued by DrP.Senthil Kumar , Deepa Hospitals, Tirupur. This was also confirmed in claim form B. In the Claim Enquiry Report dated 14/06/2012, the Investigating Officer has mentioned that DLA was handicapped by birth and no pre-

existing disease or illness could be investigated prior to the revival except that of his deformity. The records submitted by the insurer clearly establish that the DLA was having physical deformity since birth and this has not been disclosed in the proposal form dated 25/12/2009 submitted while taking the policy. Had this information been furnished in the proposal form, the Insurer might have underwritten the proposal on different terms. The representative further said that the DLA was not eligible for the plan under which the policy has been issued since the said plan has in-built accident benefit risk cover.

The Proposer/DLA has failed in his duties to disclose this material information in the proposal form. The first-line under-writer of the Insurer (viz) the agent, has also not given the true picture of the DLA, while filling up the Agent's Confidential Report / Moral Hazard Report ( submitted at the inception of the policy) even after seeing the DLA's physical deformity and condition in person. In view of the above, holding the life assured alone responsible in providing wrong information regarding his physical deformity, (proposal completed under Non-medical) is not justified. The Agent who has recommended the proposal is also equally responsible, if not more. As per the papers provided by the Insurer, it is found that appropriate disciplinary action has been taken against the agent. On going through the proposal papers submitted at the inception of the policy bearing no.741577546 (on the same life which has run for 15 years and already matured), it is found that this physical deformity has not been mentioned. Perhaps, DLA would have been under the impression that this physical deformity might not have a bearing on the under-writing of the risk. But, this does not absolve the DLA of the duty to disclose all the facts in the proposal leading to the insurance contracts governed by the principle of "Utmost good faith."

The Insurer was directed to pay an ex-gratia of Rs.40,000/- (Rupees Forty Thousand Only) in full and final settlement of the claim under the above policy.

The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.

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**CHENNAI**

**Synopsis**

**AWARD No: IO (CHN)/ L-055 / 2013-14 Dated 27/08/2013**

**Complaint No. IO (CHN)/21.07.2045 /2013-14**

**Smt.K.Adlin Bella Vs.Tirunelveli Division, LIC of India**

The complainant's husband, Sri. C.Jaya Chandradhas, had taken a New Janaraksha policy bearing number 321948508 for a Sum assured Rs.50,000 with date of commencement as 19/10/2009 and a LIC's Jeevan Saral policy bearing no.322060305 for a sum assured of Rs.2,50,000/- with date of commencement as 09/11/2009 from Tirunelveli Division of LIC of India. The above life assured died on 01/12/2010 within a period of 1y 1m 12d and 1y 0m 22d from the date of commencement of the policy bearing nos. 321948508 and 322060305 respectively. The complainant, Smt K. Adlin Bella, nominee under the above policies preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured was admitted in the hospital on 31/03/2008 with complaint of Palpitation, discharged on 04/04/2008, was a known case of Depression and diagnosed to be suffering from Depression and Alcoholic dependant which is prior to the date of proposal.

A personal hearing of both the parties was held on 26/07/2013.

In the discharge summary dated 04/04/2008 issued by Dr. Jeyasekharan Hospital & Nursing Home, Nagercoil, discharge diagnosis is shown as "Depression, Alcoholic Dependent." In the history and physical findings, it is mentioned as " C/o Palpitation, Known case of Depression" ( Date of admission – 31/03/2008, Date of discharge- 04/04/2008). In the Claim Enquiry Report dated 27/09/2011, the Investigation Officer has stated that the usual medical attendant of DLA, Dr. Pushpaleela Alban, has informed him that DLA had not taken any treatment previously for any illness or disease except during the last illness. The Investigation Officer has also stated that DLA had skin itches and rashes over the body and previously, DLA had treatment for some illness from Dr. Jeyasekharan Hospital & Nursing Home, Nagercoil, Though, in the discharge summary dated 04/04/2008 issued by Dr. Jeyasekharan Hospital & Nursing Home, Nagercoil, it is mentioned that the DLA was a Alcoholic Dependent, and was a case of Palpitation and a known case of depression, the Insurer has not submitted clinching evidences to establish the existence and treatment taken by the DLA for the said ailments prior to the date of proposals.

The Insurer was directed to pay an ex-gratia of Rs.20, 000/- (Rupees Twenty Thousand Only) in full and final settlement of the claim under both the policies put together.

The complaint was PARTLY ALLOWED under ex-gratia.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L-056 /2013-14 Dated 03/09/2013**

**Complaint No. IO (CHN)/ 21.005.2151 /2013-14**

**Smt.B.Chithra Vs. HDFC Standard Life Insurance Company Limited**

The complainant's husband, Sri.K.Baskaran, had taken HDFC Unit Linked Youngstar Champion policy bearing number 13331441 for a sum assured of Rs.2,50,000/- with date of commencement as 19/12/2009 from HDFC Standard Life Insurance Company Limited. The above life assured died on 19/06/2011 within 1 year 6 months from the date of commencement of the policy. The complainant, Smt.B.Chithra, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer has informed the complainant that the life assured has not disclosed the information on Acute Antero Septal Infarction and diabetes in the application for insurance dated 17/12/2009. The Insurer has also said that since this vital information was not provided to them at the time of applying for the insurance policy, they are unable to accept the claim under the above policy.

A personal hearing of both the parties was held on 29/07/2013.

In the discharge Summary dated 19/05/2005 issued by Shenbagam Hospital, Madurai, under the heading " diagnosis", it is mentioned as Acute Antero Septal Infarction. In the history of present illness, it is mentioned as " .... Known case of DM/ Old Hansen's with Claw Hand deformity left side...." ( date of admission -14/05/2005, date of discharge-19/05/2005). In the usual / Family Doctor's Certificate dated 15/07/2011 issued by Dr.Rm. S.Chinniah, Pasumalai Nursing Home, Singampunari, the doctor has mentioned that DLA was a known case of Diabetes Mellitus with hypertension and DLA had consulted him on 11/01/2009, 11/03/2010 & 22/02/2011 . The complainant has also admitted during the hearing that the DLA had mild heart attack and took treatment in the hospital prior to the date of proposal. From the records submitted by the insurer, pre-proposal illness / ailment of the proposer/ life assured has been clearly established.

The Forum notes that in Unit Linked plans, the customer bears the risk of investment and the fluctuations of market conditions, as per the stated principle in such products and hence the Fund Value belongs to the claimant, notwithstanding the repudiation of the death benefit. Under this policy, it is observed that yearly premium was to be collected at the rate of Rs.50,000/- per year for 15 years (totaling to Rs.7,50,000/-) and the risk coverage was only for Rs.2,50,000/- only. This clearly shows that a major portion of the premium was allocated towards savings portion which cannot be denied to the policyholder/claimant under the pretext death benefit has been repudiated due to suppression of material facts.

Repudiation of the claim by the Insurer is fully justified However, the Insurer was directed to pay the Fund value available on the date of receipt of intimation of death in full and final settlement of claim under the above policy.

The complaint was PARTIALLY ALLOWED.

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CHENNAI

**SYNOPSIS**

**AWARD No: IO (CHN) L- 057 /2013-14 Dated 03/09/2013**

**Complaint No. IO (CHN)/21.08.2275/2013-14**

**Smt.A.Gomathy Vs. Vellore Division, LIC of India**

The complainant's husband, Sri M.Arul, had taken a Jeevan Saral policy bearing number 735661870 for a Sum assured Rs.1,25,000/- with date of commencement as 18/12/2009 from Vellore Division of LIC of India The above life assured died on 23/05/2012 within a period of 2 years 5 months 5 days from the date of commencement of the policy. The complainant, Smt.A.Gomathy, nominee under the policy, preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on 01/02/2013 on the grounds that the life assured, about 10 years prior to the above policy, had suffered from tremor of hands and giddiness for which he had taken treatment in a hospital and that he was also a chronic alcoholic. They have also added that he has not disclosed these facts in the proposal.

A personal hearing of both the parties was held on 29/07/2013.

In claim form B, primary cause of death is mentioned as natural and secondary cause of death is mentioned as Tremor of hands and giddiness. Against the question " How long had he been suffering this disease before his death ", reply is given as " For 10 years."

In Claim form B-1, following reply is given for the following questions:-

Question	Reply given
Nature of the ailment at the time of admission.....	Tremor of hands
Duration of the complaint as reported .....	10 years
Exact history reported .....	Tremor of hands and giddiness
Duration of the ailment.....	10 years
History reported by .....	The patient himself.
It is also said that the DLA had a history of chronic alcoholic .... for the past 15 years. Diagnosis arrived at in the hospital is mentioned as Alcohol Withdrawal Syndrome It is also mentioned that the patient absconded from the hospital on 18/05/2012	

In the Claim Enquiry report dated 30/10/2012, the Investigating Officer has mentioned that DLA was having the habit of drinking alcohol and was suffering from tremor of hands and giddiness for a long time. The records submitted by the insurer clearly establish that life assured was not maintaining good health at the time of taking the policy and has not disclosed his exact health condition in the proposal form.

The Proposer/DLA has failed in his duties to disclose this material information in the proposal form. The intermediary, at the point of sale/(viz), the Agent, has not given the true picture of the DLA, while filling up agent's confidential cum moral hazard report, even after seeing the DLA in person. In view of the above, holding the life assured alone

responsible for providing wrong information is not justified. The Agent being the first-line under-writer is also equally responsible, if not more. No action seems to have been taken against the concerned agent. On the other hand, the responsibility for the suppression of material information is sought to be thrown entirely on the DLA/claimant.

The Insurer was directed to pay an ex-gratia of Rs.20, 000/- (Rupees Twenty Thousand Only) in full and final settlement of the claim under the above policy,

The complaint WAS PARTLY ALLOWED ON EX-GRATIA BASIS.

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#### **SYNOPSIS**

**AWARD No: IO (CHN) L- 058 /2013-14**

**Complaint No. IO (CHN ) /21.01. 2154 / 2013-14**

**Sri. Y.A.Raghavendra Vs. Chennai Division I, LIC of India**

The complainant's mother, Smt. Y.A.Kumari, had taken an Endowment policy bearing number 715227448 for a Sum assured Rs.1,50,000/- with date of commencement as 28/09/2008 from Chennai Division I of LIC of India. The above life assured died on 26/07/2011 within a period of 2 years 9 months 28 days from the date of commencement of the policy. The complainant, Sri. Y.A.Raghavendra, nominee under the policy, preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured, before proposing for the above policy, was a known case of Parkinson disease for 10 years and also suffered with hypersensitivity with Pneumonitis, neuroleptic malignant syndrome and cardio respiratory arrest. They have also added that the life assured did not disclose these facts in the proposal form.

A personal hearing was conducted on 29/07/2013. Father of the complainant and the representative of the insurer participated in the proceedings.

In claim form B, primary cause of death is mentioned as cardio respiratory arrest and secondary cause of death is mentioned as "Hypersensitivity Pneumonitis with Parkinsonism." It is also mentioned that DLA was suffering from Parkinson's disease for past 10 years. In Claim form B-1, exact history reported at the time of admission into the hospital is shown as "Known case of Hypersensitivity Pneumonitis with Parkinsonism." It is also mentioned that the medical history was reported by the husband of the deceased. Diagnosis arrived at in the hospital is mentioned as Hypersensitivity Pneumonitis with Parkinsonism .....Any other disease or illness preceded or co-existed with the ailment at the time of the patient's admission into the hospital is mentioned as Hypersensitivity Pneumonitis with Parkinsonism. It is also mentioned that the above ailments were first observed by the patient 10 years before her death. In the Claim Enquiry report dated 30/01/2012, the Investigating Officer has mentioned that DLA was suffering from Parkinson's disease for the last 10 years. In the discharge summary dated 16/06/2011 issued by Prashanth Multi Speciality Hospitals, Chennai, it is mentioned that DLA was a known case of Parkinson's disease since 10 years and a known case of COPD since 8 months.( date of admission—13/06/2011, date of discharge-16/06/2011)

The records submitted by the insurer clearly establish that the life assured was not maintaining good health at the time of taking the policy and has not disclosed his exact health condition in the proposal form. The Proposer/DLA has failed in her duties to disclose this material information in the proposal form. The intermediary, at the point of sale/(viz), the Agent, has not given the true picture of the DLA, while filling up the agent's confidential cum moral hazard report, even after seeing the DLA in person. In view of the above, holding the life assured alone responsible in providing wrong information regarding his ailment relating to Tremor of hands, is not justified. The Agent who has recommended the proposal is also equally responsible, if not more. No action seems to have been taken against the concerned agent. The DLA was medically examined by an authorised medical examiner of the Insurer at the time of inception of the policy. In the medical report dated 28/09/2008, against the question "Is there any abnormality observed on examination of eyes (partial/total blindness), ears (deafness), nose, throat or mouth or any physical impairment", the medical examiner has answered as "No". It appears that no action was taken against the medical examiner. On the other hand, the life assured/ the claimant was penalized by denying the claim. In view of the above, the Insurer was directed to pay an ex-gratia of Rs.35, 000/- (Rupees Thirty Five Thousand Only) in full and final settlement of the claim under the above policy.

The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.

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CHENNAI

#### SYNOPSIS

AWARD No: IO (CHN) L- 059 /2013-14 dated 03/09/2013

Complaint No. IO (CHN)/21.002.2163 /2013-14

Smt.A.Jayalakshmi Vs. SBI Life Insurance Co Ltd

The complainant's husband, Sri. T.Anandan, had availed housing loan from State bank of India under loan account no. 31108927794. ( loan type- Home Loan ) He had applied for SBI Life Dhanaraksha Plus LPPT Group insurance scheme under Master policy no. 9300000909 issued to State Bank of India, through membership form no.93901951 dated 05/07/2010. Member's cover commenced from 09/07/2010. As evidence of insurance cover, Sri. T.Anandan was issued Certificate of Insurance (COI) (Membership form no.93901951) for a sum assured of Rs.16,32,480/- at inception. Term of loan is 15 years and Rs. 70480/- was collected towards premium. The life assured died on 27/02/2012 within a period of 1 year 7 months 18 days from the date of commencement of cover. Sum assured covered as on the date of death is 15,83,551/- (outstanding home loan as on the date of death), as per insurer's self contained note dated 18/04/2013. The complainant, Smt A.Jayalakshmi, wife of the deceased life assured, preferred a claim for the policy monies with the Insurer . The Insurer repudiated the claim on the grounds that the policy holder had given a false Good Health Declaration and had not disclosed the material fact that the life assured



was suffering from and was under treatment for heart disease prior to date of enrolment under the above policy.

A personal hearing of both the parties was held on 29/07/2013.

In the discharge summary dated 23/11/2009 issued by Sri Ramachandra Medical Centre, Chennai, it is mentioned under "personal past medical history" that DLA was a known smoker. Under the heading "Course in the hospital", it is mentioned as "This 45 year old gentleman a euglycemic and normotensive, known smoker was admitted with history of chest pain since few hours duration.... The patient was counseled for coronary angiogram. Patient was not willing for the same ...". Final diagnosis arrived at in the hospital is shown as "Acute Coronary Syndrome - NSTEMI" (Date of admission- 19/11/2009, date of discharge- 23/11/2009). In the death summary dated 27/02/2012 issued by Sri Ramachandra Medical Centre, Chennai, under the heading Admission complaints & brief history of presenting illness, it is mentioned as "Chief complaints: 45 year old patient known case of coronary artery disease, history .....He is not a known case of diabetic or hypertensive." Final diagnosis arrived at is shown as "Coronary Artery disease..... Cardiac Arrest" (date of admission - 25/02/2012). In the Claim Investigation Report dated 30/04/2012 completed by Pyramid Associates, Chennai, the Investigating Officer has mentioned that DLA was admitted in Sri Ramachandra Medical Centre Chennai, on 19/11/2009 with history of chest pain and that DLA was a known smoker. He has also added that the treating consultant recommended coronary angiogram which was declined by the patient.

From the records submitted by the insurer, pre-proposal illnesses of the DLA and its non-disclosure have been clearly established. The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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**CHENNAI**

#### **SYNOPSIS**

**AWARD No: IO (CHN) L061 / 2013-14 Dated 04/09/2013**

**Complaint No. IO (CHN) / 21.009.2292 / 2013-14**

**Smt. J.Tripurasundari Vs. Bajaj Allianz Life Insurance Company Ltd.**

The complainant's husband, Sri J.V.V.S.N. Prasad, had taken a Super Cash Gain policy bearing no. 0217023052 for a sum assured Rs5,00,000/- with date of commencement as 09/05/2011 from Bajaj Allianz Life Insurance Company Ltd. The above life assured died on 06/01/2013 within 1 year 7 months 27 days from date of commencement of policy. The complainant, Smt. J.Tripurasundari, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that certain facts which were known to the life assured were not disclosed in the proposal dated 30/04/2011. They have also added that the life assured had the history of hypertension since 5 years, Diabetes Mellitus since 5 years and was a known

case of chronic kidney disease since 2 years. It is also said that the life assured had hospitalisation for symptoms of acute coronary syndrome in March 2011 (catheterization done on 23/3/2011) and the life assured was diagnosed of Double Vessel disease and was advised Coronary Artery Bypass Grafting.

A personal hearing of both the parties was held on 29/07/2013.

In the Discharge Summary dated 06/06/2011 issued by Apollo Hospitals, Grems Lane, Chennai, under the heading " Symptoms and History" , it is mentioned as follows:- " This 54 years old gentleman, hypertensive since 5 years, diabetic since 5 years, was admitted with symptoms of acute coronary syndrome in March 2011 for further cardiac evaluation. He was evaluated by cardiac cath and coronary angiography, which revealed two vessel disease with adequate LV function ( by echo). He was advised CABG surgery. He is a known case of chronic disease since 2 years. ."(date of admission-19/05/2011, date of discharge-06/06/2011, date of surgery-23/05/2011) Diagnosis is mentioned as Coronary Artery disease. In the Claim Investigation Report dated 14/03/2013 completed by R.Ashvini Kumar, Lavanya and Company Investigators, Bangalore, it is mentioned that the life assured was a known chronic kidney disease patient and was admitted in the hospital in March 2011 for acute Coronary Syndrome. It is also said that the life assured was a known case of diabetes since 5 years.

From the records submitted by the insurer, pre-proposal illness of the DLA and its non-disclosure have been clearly established. The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L- 062 / 2013-14 Dated 04/09/2013**

**Complaint No. IO (CHN) / 21.05. 2263 /2013-14**

**Sri.V.Vijayaraghavan Vs.Salem Division, LIC of India**

The complainant's wife, Smt.G.Kalaivani, had taken a Endowment Assurance policy bearing no 704008618 for a sum assured of Rs2,00,000/- with date of commencement as 28/05/2009 and a Jeevan Anand policy bearing no. 704594029 for a sum assured of Rs.2,00,000/- with date of commencement as 12/05/2010 from Salem Division of LIC of India. The above life assured died on 18/01/2011 within a period of 1 year 7 months 20 days and 8 months 6 days from the date of commencement of the policy under the policy nos. 704008618 and 704594029 respectively. The complainant,

Sri.V.Vijayaraghavan, nominee under the above policies, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on the grounds that the life assured, before proposing for the above policies, was suffering from chronic renal failure since 26/09/2002 & had renal transplant done on 25/10/2002. They have also said that these facts were not disclosed in the proposals submitted for the above policies.

A personal hearing of both the parties was held on 29/07/2013..

In the Discharge Summary dated 18/01/2011 issued by Coimbatore Kidney Centre, Coimbatore under the heading "Medical history,", it is mentioned that" She was a known patient of chronic glomerulonephritis/ renal transplant recipient on 25/10/2001 ( unrelated donor)\_.....". Diagnosis arrived at in the hospital, as per the above discharge summary, is chronic glomerulonephritis/ chronic kidney disease, renal transplant recipient on 25/10/2002, graft dysfunction..... In the discharge Summary dated 29/07/2002 issued by Coimbatore Kidney Centre, Coimbatore, diagnosis arrived at is shown as chronic renal failure/chronic glomerulonephritis/ systemic hypertension.... In the discharge summary dated 6/11/2002 issued by Coimbatore Kidney Centre, Coimbatore, diagnosis is shown as chronic renal failure/ chronic glomerulonephritis, renal transplantation done on 25/10/2002. In Claim Firm B1 dated Nil issued by Coimbatore Kidney Centre, Coimbatore, against the question " Was there any disease or illness which preceded or co-existed with the ailment at the time of patient's admission into the hospital, rely is given as " Transplant recipient with critical venous thromobosis". In the claim Investigation report dated 08/09/2011, the Investigating Officer has mentioned that DLA was a renal transplant recipient in the year 2002 and from 2002, frequent cheque up/ diagnosis/ treatment was taken. The complainant has also admitted during the hearing that that his wife was having kidney problem since 2002 and kidney transplantation was done in the same year.

The records submitted by the insurer clearly establish that the life assured was not maintaining good health at the time of taking the policies. The DLA had not disclosed her correct health condition in the proposal forms. The Insurer's decision to repudiate the claim under both the policies is fully justified.

The complaint was DISMISSED.

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CHENNAI

#### SYNOPSIS

AWARD No: IO (CHN) L- 064 /2013-14 Dated 20/09/2013

Complaint No. IO (CHN) /21.05.2415 /2013-14

Smt.M.Perumayee Vs. Salem Division, LIC of India

The complainant's husband, Sri. C.Marimuthu, had taken an Endowment assurance policy with profits bearing number 703913809 for a Sum assured of Rs.50, 000/- with date of commencement as 19/04/2008 from Salem Division of LIC of India. The

policy was revived on 17/06/2010 on the strength of a Personal Statement regarding Health ( DGH) by adjusting 3 half-yearly premiums for the dues 4/2009 to 4/2010. The life assured died on 19/12/2010 within a period of 6 months 2 days and within a period of 2 years 8 months from the date of revival and from the commencement of the policy respectively. The complainant, Smt. M.Perumayee, the nominee under the above policy preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on 23/03/2012 on the grounds that, before the date of revival of the policy, the life assured was suffering from RHD since 09/08/2008. They have added further that this fact was not disclosed in the personal statement regarding health submitted at the time of revival of the policy.

A personal hearing of both the parties was held at Salem on 31/08/2013.

During the hearing, both the parties presented their versions.

In his certificate dated Nil issued by Dr.P.Rathhinasamy, Nivetha Hospital, Idappadi, the doctor has mentioned that DLA was a known case of pneumonia with septicemia and was having a history of low back RTA injury. The doctor has also mentioned that DLA was treated as out-patient from 10/12/2010 to 19/12/2010 in their hospital. In clam form B dated 24/02/2011 , primary cause of death is mentioned as respiratory arrest and secondary cause is mentioned as Septicemia- Pneumonia, deep vein Thrombosis, chronic bed ridden because of low back injury. Reply is given in the negative for the question" What other diseases or illness preceded or co-existed with that which immediately caused the death of life assured. The doctor has also mentioned that he was the usual medical attendant of the life assured for the last 10 years and he had treated the DLA for mild ailments for 3 years preceding DLA's last illness. Dr.P.Rathhinasamy, Nivetha Hospital, Idappadi, in his reference letter to Dr. Ganesan, has mentioned that DLA had a history of RHD...and had a history of RTA injury 20 days. In the Claim Enquiry Report dated 25/07/2011, the Investigating officer has mentioned that DLA had sugar and B.P. treatment from Universal Hospital, Erode from August 2008.He has also mentioned that, in September 2010, a two wheeler has hit the DLA in-between the legs and the left leg of the DLA was not functioning. He had also mentioned that DLA had treatment in Nivetha Hospital and then in Universal Hospital. Subsequently, due to insufficient funds, treatment was given at Govt. Hospital, Salem. The Investigating officer has opined that the claim is genuine. The Insurer has submitted out-patient sheets issued by Universal Hospital, Erode. In one sheet, the ailment is mentioned as RHD. However, the record is not complete, not authenticated, does not contain the date of treatment nor the name of the patient. The existence and treatment for RHD before the date of personal statement regarding health (before the date of revival) has not been sufficiently proved.

The Insurer has repudiated the claim on the grounds that DLA was suffering from RHD since 09/08/2008 and the same has not been disclosed in the personal statement regarding health(DGH) dated 17/06/2010 submitted at the time of revival of the policy. D.M.R. of the Insurer has given his opinion that DLA died due

to complications of RTA. Moreover, the usual medical attendant of the life assured has stated in claim form B dated 24/02/2011 that he was DLA's usual medical attendant for the last 10 years and he had treated the DLA for mild ailments for 3 years preceding DLA's last illness. As per the papers submitted, Road Traffic Accident had occurred in September 2010 which is subsequent to the date of revival of the policy. In this context, the Insurer's contention that DLA had suppressed pre-revival illness has no relevance .

The Insurer's action in repudiating the claim was not justified and the Insurer was directed to settle the claim for Basic Sum Assured under the above policy as per policy contract.

The complaint was ALLOWED.

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**CHENNAI  
SYNOPSIS**

**AWARD No: IO (CHN) L 065 / 2013-14 Dated 23/09/2013  
Complaint No. IO (CHN)/21.03.2418/2013-14  
Sri S.Udaya Kumar Vs. Coimbatore Division, LIC of India**

The complainant, Sri. S.Udaya Kumar, as a proposer, had taken a LIC's New Bima Gold policy on the life of his minor son, Sri.V.Guru Basava Lingam bearing number 766055424 for a Sum assured of Rs.2,00,000/- with date of commencement as 27/01/2009 from Coimbatore Division of LIC of India.. The life assured died on 13/09/2009 within a period of 7 months 16 days from the date of commencement of the policy. The complainant, Sri.S.Udaya Kumar, proposer under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on the grounds that the life assured was a physically challenged person, had discontinued his studies in the year 2005 itself and had not disclosed these facts in the proposal.

In the date of birth certificate dated 05/01/2009 issued by the Head Master In- Charge of the N.B.Iyah Memorial Higher Secondary School, Kotary Dam Post, The Nilgiris, submitted along with the proposal form, it is mentioned that the above life assured was studying in VI Standard and his date of birth is 20/03/1993. The Insurer, on the other hand, has produced a letter dated 06/01/2011 issued by the Head Master, N.B.Iyah Memorial Higher Secondary School, Kotary Dam Post, The Nilgiris wherein the following particulars are furnished:-

**Name of the pupil : U.Gurubasavalingam  
Name of the parent: S.Udhayakumar  
Date of birth : 20/03/1993  
Date of joining : 01/06/2005  
Standard : VI ( Sixth Std.) - Discontinued  
Date of leaving the school: 01/07/2005**

**“As he left the school on 01/07/2005 (discontinued), we have not received any letters from the student or from their parents till date.”**

**In his letter dated 26/11/2010 addressed to the Manager(Claims), Coimbatore Division of LIC of India, the Branch Manager of Coonoor Branch has mentioned that the DLA was a handicapped student and had studied in the school upto 2004 (VI Standard) and then stopped attending school due to physical reasons. The Insurer has relied upon their Coonoor Branch Manager’s letter dated 26/11/2010 to prove that DLA was a handicapped student. The Insurer has not submitted any other evidence to prove that DLA had physical deformity.**

**The point to be examined is whether DLA was a school going student at the time of inception of the policy.( Age of the life assured while taking the policy- 16 years.) . The complainant has admitted in his letter dated 09/06/2013 addressed to the Zonal Manager, LIC of India, Chennai ( referring to the letter dated 17/03/2011 of Coimbatore Division) that DLA was not going to school due to family circumstances. But, he has stated that DLA was continuing his education under private studies. In the letter dated 06/01/2011, the Head Master of the school has mentioned that DLA joined the school 01/06/2005 and left the school within a month on 01/07/2005. It is evident from the above that the DLA was not going to the school at the inception of policy (as on date of proposal).**

**The Insurer has clarified vide their e-mail dated 20.09.2013 that, as per their underwriting norms, insurance cover cannot be granted to a non school going child under this Plan. The Insurer’s decision to repudiate the claim is fully justified.**

**The complaint was DISMISSED.**

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L – 066 /2013-14 Dated 26/09/2013**

**Complaint No. IO (CHN) /21.008.2623 /2012-13**

**Smt.S.N.Jeyanthi Vs. Kotak Mahendra Old Mutual Life Insurance CO. Ltd.**

**The complainant’s husband, Sri. T.Porchezian, had availed housing loan from GIC Housing Finance Limited under loan account no. G03471 ( Home Guard Loan Scheme). He had applied for “Kotak Group Assure” Group life insurance scheme (UIN 107N051V02) under Master policy no. MUM/ GAE/ 2011/29 issued by Kotak Mahendra Old Mutual Life Insurance Limited to GIC Housing Finance Limited through membership form no. GA0000330314900.The life Cover commencement date was 27/12/2011.. Sri. T.Porchezian was issued Certificate of Insurance (COI) (Certificate No.GA0000330314900) for insurance cover amount of Rs.15,00,000/-. Term of loan is 10 years and Rs. 47541/- was collected towards premium and service tax. The life assured died on 08/01/2012 within a period of 11 days from the date of commencement of the risk under COI**

GA0000330314900 under master policy no. MUM/ GAE/ 2011/ 29. Smt. S.N.Jeyanthi, wife of the deceased life assured, preferred a claim for the policy monies with the Insurer. On 19/04/2012, the Insurer has sent a communication to the master policy- holder stating that as per the terms & conditions of the policy, claims arising from the death of a member due to any cause other than an accident shall not be payable where such death occurs within 90 days from the date of commencement of cover and this claim is settled by refunding the unamortized premium. This was communicated to the claimant by the master policy-holder on 18/09/2012.

A personal hearing of both the parties was held on 14/06/2013.

In the self-contained note the Insurer has mentioned that, as per clause 6 of the policy contract, the lien clause of 90 days is applicable to the said policy. In the case under dispute, the Insurer says that the risk has commenced from 27/12/2011 and the death of the life assured has occurred on 08/01/2012, the duration is just 12 days and hence the claim which has occurred within the lien period is not payable. Lien clause, as shown in the simplified version of the terms and conditions of the policy contract under COI No. GA0000330314900 (Group Master policy bearing no. MUM/ GAE/ 2011/29 – Product UIN-107N051V02) reads as follows:- “ No claim arising from the death of a member due to any cause other than an accident shall be payable where such death occurs within 3 months from the date of commencement of cover as herein stated. ....” The Insurer has filed an application to IRDA on 19/03/2010 for approval of modification of “Kotak Group Assure” UIN 107N051V01 with a list of proposed changes to be incorporated. In the changes to the plan, a lien clause of three months duration is proposed. In the Modification of Kotak Group Assure scheme dated 03/08/2010, vide their Ref:- P1101-61-02/ IRDA/ACTL/Kotak/2010-11/J/2838, IRDA has mentioned that the Unique Identification Number of the product is 107N051V02. In the said letter, IRDA has made a reference to the Insurer’s letter dated 24/06/2010. A copy of the Insurer’s letter dated 24/06/2010 addressed to IRDA has not been submitted. Under the above circumstances, it is not clear whether IRDA’s approval relates to Kotak Group Assure UIN 107N051V01 or relates to a totally new product UIN 107N051V02. The Insurer has informed this Forum vide their e-mail dated 19/06/2013 that they will be shortly submitting the file and use approval of Kotak Group Assure Plan (UIN 107N051V02) by IRDA. In spite our repeated reminders, the Insurer is yet to submit the same. The award cannot be kept pending for an indefinite period. The Insurer has contended in their self-contained note dated Nil that in case of the Kotak Group Assure Plan (which is the product under question), the lien clause is an inbuilt feature of the said product and the same had been incorporated post-requisite approval from IRDA and hence is a valid stipulation in law. However, the insurer has not submitted the approval letter in spite of their assurances vide mail dated 19-06-2013. Hence, an adverse inference has to be drawn against the Insurer.

This Forum has written to IRDA vide letter dated 21-08-2013 seeking clarification on the approval of Kotak Group Assure plan, product No. UIN 107N051V02. No reply has so far been received.

**In view of the foregoing (on the basis of available documents), the Insurer's denial of claim on the basis of said lien clause of 3 months is not justified.. The Insurer's action in repudiating the claim is not justified.**

**The complaint was ALLOWED.**

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L- 069 /2013-14 Dtd 17.10.2013**

**Complaint No. IO (CHN) /21.07.2356 /2013-14**

**Smt.T.Baby Florence Vs. LIC of India , Tirunelveli Division**

**The complainant's wife, Smt. T.Baby Florence, had taken an Endowment Assurance policy bearing no. 323216274 for sum assured of Rs.1,00,000/- with date of commencement as 06/02/2009 from LIC of India, Tirunelveli Division. The above life assured died on 23/12/2010 within a period of 1 year 10 months 17 days from the date of commencement of policy.**

**The complainant, Sri.M.Moni, nominee under the above policy preferred a claim for the policy monies with the Insurer. The insurer has repudiated the claim on 31/03/2012 on the grounds that as per hospital records , the life assured had a history of Diabetes Mellitus and hypertension on treatment , was a known case of DM on OHA and hypothyroidism on treatment and decompression was done on 21/03/2008.They have also said that as per the employer's certificate , the life assured was on sick leave for 38 days from 14/03/2008 to 20/04/2008 prior to the date of proposal and the life assured did not disclose all these facts at the time of proposing her life for insurance**

**A personal hearing was conducted on 04/10/2013 at Madurai. The complainant was not present during the hearing. The representative of the Insurer presented the Insurer's versions with regard to the above complaint.**

**In discharge summary dated 01/12/2010 issued by NIMS & Research Foundation, Thiruvananthapuram, under the heading " Diagnosis", it is mentioned as " Sputum Positive, Pulm Tuberculosis , ATT started 23/11/0210, Type II Diabetes Mellitus, Hypothyroidism, Sepsis." Under the heading "History", it is mentioned as " History of Diabetes Mellitus and hypothyroidism on treatment." In the Investigation Chart-1 of Dr.Jeyasekharan Hospital & Nursing Home, Nagercoil, Blood Sugar readings on various dates are 21/03/2008- 479, 23/03/2008-202 & 25/03/2008- 182. In the Medical Attendant's Certificate) dated 12/10/2011, primary cause of death is**



mentioned as respiratory failure and secondary cause is mentioned as Aspiration Pneumonia, Pulmonary Tuberculosis, drug induced Hepatitis. Other disease or illness preceded or co-existed with that which immediately caused the death of life assured is mentioned as Pulmonary Tuberculosis, drug induced Hepatitis. In the medical certificate dated Nil issued by Dr.J.V.Shanthi, Grace Hospital, Kullukootam, it is mentioned that the patient (DLA ) was treated there for viral fever with abscess near the left scapula and that her period of absence from duty for 38 days with effect from 14/03/2008 to 20/04/2008 is absolutely necessary for restoration of her health. The Insurer has submitted only case sheets ( Bed head ticket) from Dr.Jeyasekaran Hospital pertaining to the period 21/03/2008 to 01/04/2008.

The documents submitted by the insurer clearly establish the pre-proposal illness/ailment of the DLA. . The Insurer's decision to repudiate the claim is fully justified

**The complaint was DISMISSED.**

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L-070/2013-14 Dtd 17.10.2013**

**Complaint No. IO (CHN) / 21.01.2355 /2013-14**

**Sri. Paliyan Vs. LIC of India, Chennai D.O.1**

The complainant's son, Sri P.Sukin, had taken a New Bima Gold policy bearing no 705190588 for sum assured of Rs 5,00,000/- with date of commencement as 06/07/2010 from LIC of India , Chennai DO I. The above life assured died on 28/10/2010 within a period of 3 months 22 days from the date of commencement of the policy..

The complainant, Sri . Paliyan, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim vide letter dated 24/12/2012 on the grounds that the life assured , before he proposed for the above policy, was treated for Nephrotic Syndrome (since 2003) in Mathias Hospital, Nagercoil and this fact was not disclosed in the proposal.

A personal hearing was held on 04/10/2013 at Madurai. The complainant was represented by his son. During the hearing, both the parties presented their versions.

In the Claim Investigation Report dated 29/10/2011, the Investigating Officer has mentioned that DLA was affected with a major disease and he had no information about bad habits. It is also mentioned that 7 years back, DLA was admitted in Mathiyas Hospital, Nagercoil for kidney problem, salt complaint and heart disease .It is also said treatment particulars are not available.. In the

certificate dated 12/10/2012 issued by Morris Mathias Hospital, Nagercoil, it is mentioned as follows:- "Sri.Sukin was treated for nephrotic syndrome at 2003. Since then we have no details of the patient." The Insurer has relied on the certificate dated 12/10/2012 issued by Morris Mathias Hospital, Nagercoil to substantiate that the DLA had made incorrect statement and withheld correct information from them regarding his health while taking the policy. During the hearing, the representative of the complainant (brother of the DLA) admitted that his deceased brother was admitted in the hospital for nephrotic syndrome in 2003 for 13 days and he took medicines for 3 months. In his letter dated 24/11/2011 addressed to the Insurer, the complainant (Father of the DLA) has stated that that the Hospital Discharge Summary is not available with him or with hospital authorities. Hence he is unable to produce the discharge summary issued by Mathias Hospital 9 years back for the treatment taken by DLA.

The records submitted by the insurer clearly establish that the life assured was not maintaining good health at the time of taking the policy. The Insurer's decision to repudiate the claim is fully justified .

The complaint was DISMISSED.

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CHENNAI

#### SYNOPSIS

AWARD No: IO (CHN) L- 072 /2013-14 Dtd 22.10.2013

Complaint No. IO (CHN) /21.07.2436 /2013-14

Smt.A.Rahale Vs. LIC of India, Tirunelveli Division

The complainant's daughter, Ms.G.Mini, had taken an Endowment Assurance policy bearing no. 323223324 for a sum assured of Rs.3,00,000/- with date of commencement as 28/04/2009 and a 20 year Money Back Policy bearing number 323410881 for a sum assured of Rs.5,00,000/- with date of commencement as 18/01/2010 from LIC of India, Tirunelveli Division. The above life assured died on 07/08/2010 within a period of 1 years 03 months 9 days and 6 months 19 days from the date of commencement of policies 323223324 and 323410881 respectively.

The complainant, Smt A.Rahale, nominee under the above policies preferred a claim for the policy monies with the Insurer. The insurer has repudiated the claim on 04/01/2012 on the grounds that as per records received from PRS Hospital,

Killipallam, the deceased life assured was on continuous treatment and had history of hypothyroidism and had DUB( Dysfunctional Uterine Bleeding) since 2008.

A personal hearing of both the parties was held on 04/10/2013 at Madurai. During the hearing, both the parties to the dispute presented their versions.

In the Certificate of Hospital Treatment dated 24/11/2010 issued by Dr.A.Arun, diagnosis arrived at in the hospital is shown as " Suspected Pulmonary Embolism/ DVT". In their letter dated 30/03/2011 addressed to the Insurer, PRS Hospital Authorities, Killippalam, Thiruvanthapuram, have mentioned that DLA took treatment only as out-patient (Hospital ID No. 103511) in their hospital. In the Out Patient Ticket dated 25/11/2008, it is mentioned that DLA was a known case of irregular periods for 8 years and a known history of hypothyroidism. In the Certificate of Treatment dated 24/11/2010 issued by Dr. A.Arun, diagnosis arrived at in the hospital is mentioned as "Cardio Respiratory Arrest due to suspected Pulmonary Embolism."In the discharge summary dated 07/08/2010 issued by PPK Hospital, Marthandam, diagnosis is mentioned as "Suspected Pulmonary Embolism/ DVT". In the Medical Attendant's Certificate dated 24/11/2010, issued by Dr.A.Arun , primary cause of death is mentioned as Cardio Respiratory Arrest and secondary cause of death is mentioned as " Due to suspected Pulmonary Embolism/ DVT . The complainant has also admitted during the hearing that the life assured was diagnosed to have thyroid since 2008 (prior to the date of proposals) and was on medication since then.

The records submitted by the insurer establish the pre-proposal illness/ailment of the DLA.

The Insurer's decision to repudiate the claim under both the policies is fully justified.

The complaint was DISMISSED.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN)/ L- 0 71 /2013-14Dtd 17.10.2013**

**Complaint No. IO (CHN)/21.04.2345/2013-14**

**Smt.M.Renukadevi Vs. LIC of India, Madurai Division**

The complainant's husband, Sri. V.Maria Rathinam, had taken a LIC's Endowment Assurance policy bearing number 746723756 for a Sum assured of Rs.1,00,000/- for with date of commencement as 28/10/2010 from Madurai Division of LIC of India. The above life assured died on 03/04/2011 within a period of 05 months 05 days

from the date of commencement of the policy. The complainant, Smt.M.Renukadevi, the nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on 31/03/2012 on the grounds that the life assured was not maintaining good health prior to the date of proposal, as per Employer's Certificate issued by Arul Andavar College, Karumathur, Madurai, the life assured had availed leave on medical grounds for 30 days from 29/07/2010 to 27/08/2010 and for 25 days from 28/09/2010 to 22/10/2010 ( which is prior to the date of proposal ) and these facts were not disclosed at the time of proposing his life for insurance.

A personal hearing of parties was held on 04/10/2013 at Madurai. The complainant was represented by her sister's husband. During the hearing, both the parties presented their versions.

In Medical Attendant's Certificate dated Nil completed by Dr.N.Veera Rajkumar, primary cause of death is mentioned as Cardio respiratory arrest and secondary cause of death is mentioned as CRF/ Hypertension/ Diabetes Mellitus. It is also mentioned that DLA had been suffering from the above ailments for the last 3 months prior to his death. Against the question " What other diseases or illness preceded or co-existed with that which immediately caused his/her death", reply is given as " Chronic renal failure/ HT/DM, Cardio respiratory arrest". In Certificate of Hospital Treatment dated Nil issued by Dr. N,Veera Rajkumar, diagnosis arrived at in the hospital is shown as " Hypertension/ DM/ Chronic renal failure. It is also mentioned that the medical history of ... hypertension was reported by the patient himself. In claim Form E dated 27/03/2012 issued by the Employer, it is mentioned that the DLA has availed "Medical Leave " on the following dates:- ( 3 years prior to the date of proposal)

Leave period	No. of days	Nature of ailment
29/07/2010 to 27/08/2010	30	Enteric fever
28/09/2010 to 22/10/2010	25	Enteric fever

( Copy of the medical certificate is available for both the leave period.)

In Claim Investigation Report dated 30/03/2012, the Investigating Official has mentioned that DLA had been suffering from low sugar and low B.P. and he was under treatment for the same regularly from Vikram Hospital , Anna Nagar, Madurai. It is also mentioned that whenever DLA suffered from low sugar, he would be taken to Vikram Hospital for glucose administration.

From the records submitted by the insurer, pre-proposal illness of the DLA is clearly established. The Insurer's decision to repudiate the claim is fully justified .

The complaint was DISMISSED.

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L – 073 /2013-14 Dtd 28.10.13**

**Complaint No. IO (CHN)/ 21.05.2467/ 2013-14**

**Smt.T.Chitra Vs. LIC of India, Salem Division**

The complainant's husband, Sri. A.Tamilarasan, had taken a Jeevan Tarang Policy bearing number 702903547 for Sum assured of Rs.3,00,000/- s with date of commencement as 28/03/2010 from Salem Division of LIC of India. The above life assured died on 17/08/2011 within a period of 01 year 04 months 19 days from the date of commencement of the policy. The complainant, Smt .T.Chitra, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on 20/11/2012 on the grounds that the life assured, before he proposed for the above policy, was suffering from coronary artery disease and he had made incorrect statements and had withheld correct information from them regarding his health at the time of effecting the insurance.

A personal hearing of both the parties was held on 189/10/2013 at Salem. During the hearing, both the parties to the dispute presented their versions.

In the discharge summary dated 27/06/2011 issued by SKS Hospital India Private Limited, Salem , diagnosis arrived at is shown as " ACS/ Acute AWTMI/ Old IWTMI/ Moderate LV Systolic Dysfunction/ DM ( Newly detected). In he case summary it is mentioned as follows:-" ..... Known CAD/IWTMI thrombosis with Inj. SK ." The Insurer has sent a letter dated 08/10/2012 to Dr.P. Kannan of SKS Hospital India Private Limited, Salem seeking clarification on how long was the DLA was a known case of CAD. \_The Insurer was informed by the hospital authorities through their e-mail dated 11/10/2012 that DLA was having Coronary Artery Disease ( CAD) since 2005 and the same was reflected in the discharge summary given to the patient. In the Certificate of Hospital Treatment dated 14/09/2011 completed by S.K.S. Hospital, Salem, , diagnosis arrived at in the hospital is mentioned as acute myocardial infarction. Other disease or illness preceded or co-existed with the ailment at the time of patient's admission into the hospital is mentioned as Diabetes Mellitus. In the Certificate dated 29/07/2010 issued by the Employer , it is mentioned that the DLA had availed Sick leave for 3 days from 28/03/2010 to 30/03/2010. Nature of illness has not been mentioned. Copy of medical certificate has not been submitted. Hence, it is evident that the DLA was on sick leave on the date of signing the proposal.

**From records submitted by the insurer, Pre-proposal illness of the DLA is clearly established. The Insurer's decision in repudiating the claim is fully justified.**

**The complaint was DISMISSED.**

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**CHENNAI**

**SYNOPSIS**

**AWARD No: IO (CHN) L 074 /2013-14 Dtd 29.10.13**

**Complaint No. IO (CHN)/21.05.2472/2013-14**

**Smt.V.Tamilselvi Vs. LIC of India , Salem Division**

**The complainant's husband, Sri.V.Varadaraju, had taken a LIC's Jeevan Saral policy bearing number 704251011 for death benefit Sum assured of Rs.4,00,000/- with date of commencement as 19/04/2010 from Salem Division of LIC of India. The above life assured died on 05/07/2012 within a period of 2 years 2 months 16 days from the date of commencement of the policy. The complainant, Smt V.Tamilselvi, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on 27/03/2013 on the grounds that the life assured, before the date of proposal, was suffering from Cirrhosis of liver with Multicentric Hepatocellular Carcinoma on oral chemotherapy and he had made incorrect statements and withheld correct information from them regarding his health at the time of declaration contained in the forms of proposal for assurance.**

**A personal hearing of both the parties was held on 18/10/2013 at Salem. During the hearing, both the parties to the dispute presented their versions.**

**As per the Medical attendant's certificate dated 15/07/2012 completed by Dr. K.Prabhakaran, Surgical Gastroenterologist, Pranav Hospitals, Salem , primary cause of death is Multicentric Hepatocellular Carcinoma and secondary cause of death is ARDS, Cardiac arrest. The Doctor has also recorded in the said claim form that the DLA was a known case of Cirrhosis of liver with Multicentric Hepatocellular Carcinoma on oral chemotherapy and was treated by him for Cirrhosis of liver for the past 5 years. In the death summary dated 05/07/2012 issued by Pranav Hospitals, Salem, it is mentioned that the DLA was a known case of Cirrhosis of liver with Multicentric Hepatocellular Carcinoma on oral chemotherapy. In the Certificate of hospital treatment , dated 15/07/2012 issued by Dr. K.Prabhakaran, Surgical Gastroenterologist, Pranav Hospitals, Salem, diagnosis arrived at in the hospital is shown as Multicentric Hepatocellular Carcinoma. It is also recorded that DLA was a known case of Cirrhosis of liver with Multicentric Hepatocellular Carcinoma on oral chemotherapy.**

The records submitted by the insurer clearly establish the pre-proposal illness of the DLA and the treatment taken by him for the same prior to the date of proposal. The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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CHENNAI

**SYNOPSIS**

**AWARD No: IO (CHN) L – 075 /2013-14 Dtd 30.10.13**

**Complaint No. IO (CHN)/21.05.2521/2013-14**

**Sri.R.Natesan Vs. LIC of India, Salem Division**

The complainant's wife Smt,N.Sanathi had taken a LIC's Jeevan Saral policy bearing number 704699171 for death benefit Sum assured of Rs.1,00,000/- with date of commencement as 26/10/2010 - and a New Janaraksha policy bearing No.704699748 for a sum assured of Rs.1,00,000/- with date of commencement as 12/11/2010 from Salem Division of LIC of India. The above life assured died on 14/10/2011 within a period of 11 months 18 days and 11 months 02 days from the date of commencement of the policies 704699171 and 704699748 respectively. The complainant, Sri R.Natesan, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer had repudiated the claim on 13/06/2012 on the grounds that the life assured was suffering from peritoneal metastasis , before he proposed for the above policy and the life assured had made incorrect statements and withheld correct information from them regarding her health at the time of effecting the insurances..

A personal hearing of both the parties was held a on 18/10/2013 at Salem. During the hearing, both the parties to the dispute presented their versions.

In the discharge summary dated 24/05/2009 issued by Sri Gokulam Hospital, Salem, diagnosis arrived at in the hospital is shown as " Malignant Ascites/ Peritoneal Metastasis? Primary- Probably Ovarian. It is also mentioned that the patient was referred to higher centre for palliative care In the discharge summary dated 12/08/2009 issued by CMC, Vellore, diagnosis arrived at in the hospital is mentioned as " Metastatic Ovarian Carcinoma ( Post Chemotherapy)". Under the heading " History", it is stated as " 45 year old , Mrs. Sanathi, known case of Metastatic Ovarian Carcinoma Post Chemotherapy three cycles .... Past medical history- She had completed three cycles of chemotherapy on 08/07/2009." In the discharge summary dated 02/08/2011 issued by Shanmuga Hospitals, Salem, under the heading " History", it is mentioned as " A known case of Carcinoma Ovary .....". Under the

heading " Past History", it is stated as " She underwent Hysterectomy & 3 cycles of post op. Chemo 2 years ago at Vellore CMC."

From the records submitted by the insurer, Pre-proposal illness of the DLA is clearly established.. The insurer's decision in repudiating the claim under both the policies is fully justified.

The complaint was DISMISSED.

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CHENNAI

#### SYNOPSIS

AWARD IO (CHN) L-077/2013-14 Dtd 31.10.13

Complaint No. IO (CHN) / 21.01.2529/2013-14

Sri.P.L.Kumarappan Vs. LIC of India, Chennai DOI

The complainant, Sri S. T.Palaniappan, as a proposer, had taken a Jeevan Kishore policy with profits bearing no 713850903 for sum assured of Rs 30,000/- with date of commencement as 12/01/2004 and a LIC's Jeevan Tarang policy bearing no. 715256395 for sum assured of Rs.1,00,000 with date of commencement as 14/07/2008 on the life of his minor son, Sri. P.L.Kumarappan (date of birth of life assured- 29/10/2001) from LIC of India, Chennai DO I. Policy no.713850903 was revived twice on 30/06/2010 and 17/06/2011 by adjusting the premiums for the dues 7/2009 to 04/2010 and 10/2010 to 04/2011 respectively without any evidence of health. Policy no.715256395 was revived on 27/08/2010 and 13/09/2011 by adjusting the premiums for the dues 07/2009 to 07/2010 and 1/2011 to 7/2011 respectively on the strength of Declaration of Good Health Form completed and signed by the proposer (viz) Sri.T.Palaniappan. The life assured, Sri. P.L.Kumarappan, died on 12/08/2012 within a period of 8years 7 months from the date of commencement of the policy under policy no. 713850903. Under policy no. 715256395, death of the life assured has occurred within a period of 4 years 28 days from the date of commencement .

The complainant, Sri.T.Palaniappan, proposer under the above policies, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim vide letter dated 25/02/2013 on the grounds that, before revival of the policies, the life assured had heart problem and as per the hospital reports of Madras Medical Mission, the life assured had a history of exertional Dyspnoea since last 6 years.

A personal hearing of both the parties was held on 24/10/2013. During the hearing, both the parties to the dispute presented their versions.



The complainant himself has stated in Claim Form A ( claimant's statement) dated Nil that the deceased life assured complained of not being in good health 6 years back and DLA complained of breathlessness cyanosis then. As per Medical attendant's certificate dated Nil completed by Dr. Roy Varghese, Madras Medical Mission, primary cause of death is S/P Fontan completion Malignant Junctional Ectopic Tachycardia, persistent low cardiac output.. It is mentioned DLA had been suffering from the said ailment from birth. As per the Certificate of Hospital Treatment dated Nil issued by The Madras Medical Mission, Chennai, DLA was first admitted in the hospital for treatment on 9/11/2006 and discharged on 20/11/2006. Nature of ailment then is Rt. Isomerism, unbalanced AV canal., DORV/PS. Exact history reported by the parent of the life assured ( Sri Palaniappan- father) at the admission in the hospital on 7/8/2012 is shown as " Breathlessness- 6 years , Cyanosis- 2 months."In the discharge summary dated 20/11/2006 issued by Madras Mission Hospital, Diagnosis arrived at in the hospital is mentioned as " Right Atrial Isomerism, Situs Solitus, Levocardia, Unbalanced complete Atrioventricular canal defect, double outlet right ventricle, ventricular septal defect, pulmonary stenosis, hypoplastic left ventricle" Under the heading " Brief History", it is stated as " Master Kumarappan, 5 years old boy, has presented with history of exertional dyspnoea for the past 2 years ... He was detected to have heart disease at 6 weeks of age..." Under the heading " Course in the hospital" it is mentioned as " Mr. Kumarappan underwent surgery on 10/11/2006. " ( date of admission – 07/11/2006, date of surgery- 09/11/2006 date of discharge-20/11/2006). In the death summary dated 12/08/2012 issued by The Madras Medical Mission, Chennai, under the heading "Brief history", it is stated as " .....H/O exertional Dyspnoea since last 6 years, NYHA class III... He has undergone BDG in 2006.. "

From the above, it is clear that the DLA was not keeping good health while taking the policy 715256395 on 14/07/2008 and also at the time of revival of the policy on 27/08/2010 and 13/09/2011. Though, the Insurer says that the said policy no.715256395 was revived on 13/09/2011 on the strength of Declaration of good health, a copy of the DGH has not been submitted. A copy of the declaration of good health dated 27/08/2010 submitted for the first revival is made available to us. The proposer has answered as "NO" to the questions seeking information regarding the health of the life assured in the proposal form dated 14/07/2008 submitted at the inception of the policy and also in the personal statement dated 27/08/2010 submitted at the first revival of the policy. There is a definite suppression of material information regarding health in the proposal form dated 14/07/2008 and in the personal statement regarding health dated 27/08/2010 under policy no. 715256395.

Pre-proposal and pre-revival illnesses of the DLA under policy no. 715256395 and its non-disclosure have been clearly established. The Insurer's decision to repudiate the claim under policy no.715256395 is fully justified

However, policy no.713850903 could not be placed on the same footing. This policy has run for 8 years 7 months as on the date of death and the policy has been called in question by the Insurer after a period of 9 years 1 month 13 days from the date of commencement of the policy. As admitted by the Insurer during the hearing, this policy was revived on 30/06/2010 and 17/06/2011 without any evidence of health. The Insurer's repudiation letter dated 25/02/2013 states that they have evidences and reasons to believe that, before revival of the policy, the life assured had heart problem and as per the hospital records of Madras Medical Mission, the life assured had a history of exertional dyspnoea since last 6 years and these facts were not disclosed in the personal statement. Since this policy was revived on 30/06/2010 and 17/06/2011 without any evidence of health, the question of non-disclosure of the facts regarding health does not arise. Death of the life assured has occurred in 2012 and the history of the ailment since last 6 years ways back to 2006. This policy was taken on 12/01/2004 and the history...etc begins from 2006 which is 2 years from the commencement of the policy. Section 45 of the Insurance Act is attracted since the policy was called in question after 8 years 7 months from the commencement of the policy. The Insurer has to prove beyond doubt the suppression of material information with fraudulent intentions by the DLA/ Proposer while taking the policy. In this case, the existence of illness before the date of proposal (12/01/2004) has not been proved beyond doubt. The decision of the Insurer to repudiate death claim under policy no. 713850903 is not justified.

The complaint was ALLOWED for full sum assured under Policy No.713850903 and the complaint under Policy No. 715256395 was DISMISSED.

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#### **SYNOPSIS**

**AWARD No: IO (CHN) L- 079 / 2013-14 Dtd 18.11.13**

**Complaint No. IO (CHN) / 21.08. 2468 /2013-14**

**Smt.R.Hemalatha Vs. LIC of India, Vellore Division**

The complainant's husband, Sri.R.Ramesh, had taken policies bearing no. 732520697 with date of commencement as 15/02/2007 for a sum assured Rs.50,000/-, Plan-179) , Policy no. 732520707 with date of commencement as 17/02/2007 for a sum assured Rs.50,000/-, plan- 14) and 732520757 with date of commencement as 01/02/2007 for a sum assured Rs.50,000/-, plan- 179) , from LIC of India, Vellore Division . The above life assured died on 18/11/2009 within 2years 9 months 3 days, 2years 9 months 1 day and 2years 9 months 17 days from the date of commencement of the policies 732520697, 732520707 and 732520757respectively.

The complainant, Smt. R.Hemalatha, nominee under the above policies, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim vide their letter dated 20/04/2012 on the grounds that (a) about 15 years before the life assured proposed for the above policies, he had suffered from Psychiatric problem (b) the life assured was on alcohol abuse for which he had taken treatment in a hospital (c) the life assured did not disclose these facts in the proposals.

A personal hearing of both the parties was held on 24/10/2013. During the hearing, both the parties to the dispute presented their versions.

In the History Record dated 03/04/2008 issued by CMC, Vellore , presenting complaints is shown as " Alcohol abuse- 15-16 years/ alcohol dependence-2-3years/ ..... daily drinking tolerance , withdrawal craving +, Drinks upto 180 ml. brandy, whisky, ... Under the past history, it is stated as " De-addiction done at TTK -3 years back and was probably started on deterrent.... continued medications for 3 months abstinent , later again started drinking." Under the heading "Summary/ diagnostic formulation", it is stated as " Mr.Ramesh, is a 32 year old married male ....family history of ADS in father & brothers, past h/o de-addiction at TTK -3 years back, presented to MHC with 15-16 years , h/o alcohol abuse, 2-3 years dependence pattern, last drink 10 days back, ...." The out-patient record sheet dated 12/11/2009 of by Psychiatric clinic, Govt. Vellore Medical College Hospital, Vellore .it is stated as "Patient .Alcohol intake - 15 years, daily intake- 8 years, early morning drinking- 6 years..."From the records submitted by the insurer, it is clear that the DLA, before he proposed for the above policies, was on alcohol abuse. The life assured's habit of drinking alcohol in the past 15-16 years has been proved beyond doubt. The Insurer's decision to repudiate the claim under the above three policies is fully justified.

The complaint was DISMISSED.

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**SYNOPSIS**

**AWARD No: IO (CHN) L-080 /2013-14 Dtd 20.11.13**

**Complaint No. IO (CHN) / 21.01.2466 /13-14**

**Smt.M.Anbarasi Vs. LIC of India, Chennai DOI**

The complainant's husband, Sri A.Marimuthu, had taken a Jeevan Anand (with profits) policy bearing no 714546521 for sum assured of Rs 1,00,000/- with date of commencement as 13/02/2009 from LIC of India , Chennai DO I. The above life assured died on 07/02/2011 within 1 year 11 months 24 days from the date of commencement of the policy Cause of death is suicide.

The complainant, Smt M.Anbarasi, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim vide letter dated 30/03/2013 on the grounds that (a) the life assured had the habit of alcoholism (b) the life assured took treatment in Freedom De-addiction Cum Rehabilitation Centre from 09/08/2010 to 25/08/2010 for chronic alcoholism ( the life assured committed suicide) (c) the life assured did not disclose this fact in the proposal

A personal hearing of both the parties was held on 24/10/2013. During the hearing,

both the parties to the dispute presented their versions.

In the certificate dated 18/07/2012 issued by Freedom De-addiction Cum Rehabilitation Centre, Thanjavur, it is stated as “....Mr. A.Marimuthu, 37/M, a known case of alcohol dependence syndrome had been admitted in our centre for his de-addiction treatment on 09/08/2010 till 25/08/2010. we hereby certify that Mr.A.Marimuthu was affected only due to addiction of alcohol and he was not suffering from any other mental or physical ailment....” In the Claim Investigation Report dated 09/02/2011, the Investigating officer has stated that the DLA was a habitual drunkard, was reprimanded and suspended for the above problem in the office. In FIR dated 07/02/2011 lodged by Smt.M.Anbarasi with the Police Authorities, it is stated that” her husband was not keeping good health for some months. He committed suicide because he was in a depressed mood due to his ill-health.” In Post- mortem certificate dated 08/02/2011, opinion to the cause of death is given as “ The deceased would appear to have died of Asphyxia due to hanging.”In the Police Inquest Report dated 08/02/2011, it is mentioned that the deceased felt depressed due to his ill-health for a long period and committed suicide. As per leave particulars furnished by the employer in claim form E dated 08/11/2011, DLA has availed three spells of leave on medical grounds on loss of pay for more than a week prior to the date of proposal:- ( Copies of medical certificates not submitted). \_Divisional Medical referee of the Insurer has opined that only chronic alcoholism for many years needs de-addiction treatment.

In view of the foregoing, pre-proposal alcoholic habit of the DLA and its non-disclosure have been clearly established. The Insurer’s decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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**AWARD No: IO (CHN) L- 081 /2013-14 Dtd 20.11.13**

**Complaint No. IO (CHN)/21.002.2378 /2013-14**

**Smt.M.Jayasree Vs. SBI Life Insurance Company Limited**

The complainant's mother, Smt.V.Muthammai, had availed housing loan from State bank of India under loan account no. 31118843664. ( loan type- Home Loan ). She had applied for SBI Life Dhanaraksha Plus LPPT Group insurance scheme under Master policy no. 93000000909 issued to State Bank of India through membership form no. 93922124 dated 10/06/2010. The member's cover commenced on 19/07/2010. Smt.V.Muthammai was issued Certificate of Insurance (COI) (Membership form no.93922124) for a sum assured of Rs.12,82,047/- at inception. Term of loan is 20 years and Rs. 1,82,047/- was collected towards premium towards Group Term Insurance Cover under the SBI Life Dhanaraksha Plus LPPT Master policy no. 93000000909. The life assured died on 22/06/2012 within a period of 1 year 11 months 3 days from the date of commencement of the risk under COI 93922124 under master policy no. 93000000909. Sum assured covered as on the date of death is 12,71,821/- ( outstanding home loan as on the date of death).

The complainant's father, Sri. S.Bagavathy, (husband of the deceased life assured), nominee under the policy preferred a claim for the policy monies with the Insurer. On 30/10/2012, the Insurer repudiated the claim on the grounds that the policy holder had given a false Good Health Declaration and had not disclosed material fact at the time of entry into the scheme. They have further added that the life assured was suffering from and was under treatment for Diabetes Mellitus prior to the date of enrolment under the above policy. The nominee, Sri. M.Bagavathy, died on 21/04/2013. The complainant, Smt.M.Jayasree, daughter of the life assured, (the only surviving legal class I heir) approached the Forum for Redressal.

A personal hearing of both the parties was held on 04/10/2013 which was held at Madurai. During the hearing, both the parties to the dispute presented their versions.

In the Medical Attendant's Certificate dated 17/09/2012 completed by Dr.S.Mathana Gopal, Thulasi Hospital, Kovilpatti, primary cause of death of DLA is mentioned as Acute LVF and secondary cause of death is mentioned as Diabetes Mellitus. It is also mentioned that DLA was suffering from Diabetes. In the Certificate of Hospital Treatment dated 17/09/2012 issued by Thulasi Hospital, Kovilpatti, diagnosis arrived at in the hospital is mentioned as " D.M./ Acute LVF." In the Test Report of Aravind Diagnostic Laboratory, Tirunelveli dated 22/09/2009, random blood sugar level reading of the life assured is recorded as 298 mgs% as against normal values of 80-120 mgs%. The level of urine sugar is mentioned as " ++" A. As per prescription of Shree Chendur Diabetes & Eye Special Centre , Kovilpatti dated 07/12/2009, the life assured was taking the medicine " T.Amaryl2 mg" which is prescribed for diabetic patients. In the prescription of Kovilpatti Diabetes Speciality Clinic, Kovilpatti dated 01/02/2010, it is mentioned that the life assured was a Type II Diabetes Mellitus patient. In the Master Health Check-up report of Kanyakumari

Government Medical College & Hospital , Asaripallam dated 19/04/2011, against medical history of the life assured , it is recorded as "Diabetes- 8 years."In the history of present illness, it is mentioned as " History of DM 8 years." .

From the records submitted by the insurer, it is clear that the DLA was suffering from diabetes mellitus and was under treatment for the same prior to the date of enrollment of the policy. Pre-proposal illness of the DLA and its non- disclosure have been clearly established.

As per the certificate of Insurance 93922124, the Insurer has collected Rs.1,82,047/- towards premium for Group Term Insurance Cover under the SBI Life Dhanaraksha Plus LPPT Master policy no. 9300000909. Premium paid certificate issued by the Insurer also confirms the same. Both the certificate of insurance and the premium paid certificate is silent whether the premium of Rs.1,82,047/- collected is towards single premium or towards annual premium. In the master policy details furnished under master policy no. 9300000909, it is mentioned that premium paying term for each group member is 2 years, premium periodicity is mentioned as annual in advance for each member and term of the member's cover is stated as " For new loans, the term of the loan as per the original repayment schedule and for existing loan, the remaining term of the loan since the commencement of risk" In the present case, death of the life assured has occurred in the second policy year and premium was collected for risk coverage for a term of 20 years. It is clear from the above that premium periodicity is not clearly mentioned in the certificate of insurance provided to the insured. It is only mentioned in the master policy.

The points mentioned above show that the Insurer is not properly following the IRDA (Protection of Policyholders' Interests) Regulations 2002 and this Forum is of the opinion that some relief may be provided to the complainant on Ex-gratia basis. The Insurer was directed to pay the complainant a sum of Rs. 1,45,000/- ( Rupees one lakh forty five thousand only) on Ex-gratia basis in full and final settlement of the claim.

The complaint was Partly Allowed on Ex-gratia basis.

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**SYNOPSIS**

**AWARD No: IO (CHN) L- 082 /2013-14 Dtd 29.11.13**

**Complaint No. IO (CHN)/21.08.2634/2013-14**

**Sri..N.Vasudevan Vs. LIC of India, Vellore Division**

The complainant's wife, Smt.T.Prema, had taken an Endowment Assurance Policy bearing number 735624078 for Sum assured Rs2,50,000/- with date of commencement as 24/12/2009 from Vellore Division of LIC of India The above life assured died on 28/02/2012 within a period of 2 years 2 months 4 days from the date of commencement of the policy.

The complainant, Sri.N.Vasudevan, nominee under the policy, preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on 21/09/2012 on the grounds that the life assured, before she proposed for the above policy, had suffered from hypertension for which he had taken treatment from a hospital and that she was on medical leave for many days prior to the date of proposal..

A personal hearing of both the parties was held on 26/11/2013.

In the Medical Attendant's Certificate dated Nil completed by K.R.Suresh Babu, Apollo Speciality Hospital, Chennai, primary cause of death is mentioned as "Large left parietal convexity cerebral edema with transtentorial herniation". Against the question "How long had she been suffering from this disease before her death ", reply is given as "one month." Other disease or illness preceded or co-existed with that which immediately Caused the death is stated as "Hypertension". It is also mentioned that this disease/illness was first observed by the patient 2 years prior to her death. As per Claim Form E dated Nil issued by the Head-Master, Govt. High School, Pullyankannu, no leave was availed by the DLA on medical grounds before the proposal date. In the Claim Enquiry Report dated 13/06/2012, the Investigating Officer has mentioned that DLA had headache pain often and came to check up to hospital 15 days before her death only. As per Out-patient Book issued by BHEL Hospital, Ranipet, ( Regd. No. 4157435/2, date opened - 05/05/2009), B.P. readings recorded from 02/06/2009 to 03/12/2009 were on border line only. Medicines stand prescribed.

The records of BHEL Hospital, Ranipet indicate that the life assured was on medication for hypertension prior to the proposal date. The complainant also admitted during the hearing that her wife was taking medicines for B.P. before the date of proposal.

The policy has been called in question after 2 years from the commencement of the policy thereby attracting section 45 of the Insurance Act 1938. The Insurer has relied solely on out-patient book issued by BHEL hospital, Ranipet wherein it is mentioned that the life assured was a known case of hypertension. B.P. readings recorded in the said book on various dates prior to the date of proposal are on border line only. Further, the Insurer has not submitted conclusive evidence to prove that the DLA was on medical leave for many days prior to the proposal date. Going by this, one cannot attribute any fraudulent intention on the part of the DLA for suppression of this material information.

The Insurer was directed to pay an ex-gratia of Rs.1,00, 000/- (Rupees one lakh Only) in full and final settlement of the claim under the above policy,

The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.

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## **SYNOPSIS**

**AWARD No: IO (CHN) L – 083 /2013-14 Dtd 29.11.13**

**Complaint No. IO (CHN)/21.004.2618/2013-14**

**Smt.Suraj Devi Vs. ICICI Prudential Life Insurance CO. Ltd.**

The complainant's husband, Sri.K.Govind Lal, had taken a ICICI Pru Guaranteed Savings Insurance Plan policy bearing number 16761611 for a Sum assured of Rs.1,69,400/- with date of commencement as 25/06/2012 under yearly mode with a premium of Rs. 24574/- from ICICI Prudential Life Insurance CO. Ltd . The above life assured died on 26/11/2012 within a period of 05 months 01 day from the date of commencement of the policy.

The complainant, Smt. Suraj Devi, nominee under the policy preferred a claim for the policy monies with the Insurer..The Insurer has mentioned in their repudiation letter dated 30/06/2013 that the life assured (a) was hospitalized and diagnosed of left lung bronchicetasis on 15/03/2012 i.e. prior to policy issuance (b) was treated for pulmonary tuberculosis and (c) was on medication for diabetes mellitus since many years prior to policy issuance. They have added that they were constrained to repudiate the claim on the grounds of suppression of material information and they have offered an amount of Rs. 24574/- under the above policy on ex-gratia basis.

A personal hearing of the parties was held on 26/11/2013. The complainant was represented by her son. During the hearing, both the parties p[resented their versions.

In the discharge summary dated 25/03/2012 ( date of admission-15/03/2012) issued by CMC, Vellore, under the heading " Diagnosis), it is stated as " Probable post tuberculosis sequelae, left lung bronchiectasis. Essential hypertension, diabetes mellitus." Under the heading "History", it is mentioned as " Mr. Govind Lal presented with cough and breathing difficulty of 5 year duration worsened for 4 days .....2 years ago , he was evaluated for worsening cough and was treated for pulmonary tuberculosis with AIT for 6 months with which he was compliant. He is a diabetic on medications but was under regular follow-up." In the Claim Investigation Report dated 21/05/2013 completed by the Investigating Officer Sri. Gopalakrishnan ( Name of the Investigating Agency- Gopalakrishnan), it is stated as "... We have verified at the life assured's residence and found that the life assured was having continuous problems with breathing and was undergoing treatment at CMC, Vellore, KH, Melvisharam(Vellore) and about two and half years back he was admitted and treated at Apollo Hospitals, Vellore.. From the above, it is clear that DLA was not maintaining



good health and was taking treatment for the same prior to the date of proposal. Pre-proposal illness of the DLA is clearly established.

The Insurer's decision in repudiating the claim is fully justified. However, the complainant was advised to avail the Insurer's offer of ex-gratia payment of Rs. 24574/- under the above policy.

The complaint was DISMISSED.

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#### **SYNOPSIS**

**AWARD No: IO (CHN) L- 084 / 2013-14 Dtd 29.11.13**

**Complaint No. IO (CHN) / 21.08. 2640 /2013-14**

**Sri. C.Mahaboob Basha Vs. LIC of India, Vellore Division**

The complainant's wife, Smt.Fathima Beevi, had taken LIC's Jeevan Saral policy bearing no. 735508847 with date of commencement as 11/11/2009 for death benefit sum assured Rs.1,25,000/- from LIC of India, Vellore Division. The above life assured died on 30/04/2011 within 1 year 5 months 19 days from the date of commencement of the policy..

The complainant, Sri.C.Mahaboob Basha, nominee under the above policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim vide their letter dated 12/04/2012 on the grounds that (a) about 4 days before the life assured proposed for the above policy, she had suffered from Limb girdle muscular dystrophy with systemic hypertension for which she had taken treatment in a hospital and (b) the life assured did not disclose these facts in the proposal.

A personal hearing of both the parties was held on 26/11/2013.

In their letter dated 13/03/2012 addressed to the Insurer, SRM Medical College Hospital Authorities (Potheri) have stated as follows:-

"...The said patient Mrs.Fathima Beevi, w/o Mr. Mahaboob Basha was treated in in our hospital as in- patient:-

Name of the patient..... Mrs. Fathima Beevi

Out patient no. 23678

In patient no. 1863

Date of treatment .....02/11/2009 to 07/11/2009

Treated for (diagnosis).....Limb girdle muscular dystrophy with systemic hypertension"

In claim form A dated 12/10/2011 completed by the complainant, it is mentioned that DLA first complained of not being in usual good health 2 years prior to her death and was treated in SRM Hospital with OP no. 23678 for muscles problem. In the Certificate

of hospital treatment dated 08/11/2011 issued by SRM Medical College Hospital and Research Centre, Kattankulathur, the health condition of the patient (DLA) before admission in the hospital (date of admission in the hospital- 30/03/2011) is mentioned as " Patient is a Duchene muscular dystrophy patient with CKD and tuberculosis, pancreatitis. On haemodialysis as out- patient basis in this hospital.". Diagnosis arrived at in the hospital is stated as "CKD stage 5, Duchene muscular dystrophy tuberculosis. ....". Date of first admission or first time treated as an out-patient is noted as "06/02/2009(OPA visit). Then subsequently frequent admission thereafter". Nature of ailment then is stated as " Breathlessness at night/ difficulty in walking, climbing up."

From the above, pre-proposal illnesses of the DLA and its non-disclosure have been clearly established. The Insurer's decision to repudiate the claim is fully justified..

The complaint was DISMISSED.

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**SYNOPSIS**

**AWARD No: IO (CHN) L-085/2013-14 Dtd 3.12.13**

**Complaint No. IO (CHN) / 21.01.2632 /2013-14**

**Sri. G.P.Harish Vs. LIC of India, Chennai DOI**

The complainant's mother, Smt.P.Geethalakshmi, had taken a LIC's New Bima Gold policy bearing no 705440802 for a sum assured of Rs 50,000/- with date of commencement as 18/02/2011 from LIC of India , Chennai DO I. The above life assured died on 22/02/2012 within 1 year 4 days from the date of commencement of the policy. The complainant, G.P.Harish, nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim vide letter dated 24/12/2012 on the grounds that (a) before the life assured proposed for the above policy, she was a known case of Diabetes Mellitus (b) the life assured died of chronic pancreatitis (c) as per the discharge summary of Sooriya Hospital , the life assured was a known case of diabetes mellitus since 2003 (d) the life assured did not disclose this fact in the proposal. A personal hearing of both the parties was held on 26/11/2013,

In the Claim Enquiry Report dated Nil, the Investigating Officer has mentioned that DLA was under diabetic treatment for past 5 years. He has also mentioned that on 24/12/2007, she was diagnosed for diabetes (Readings- fasting-217, PP—276) for which she had undergone treatment for 5 years. In the discharge summary dated 19/11/2011 issued by Sooriya Hospital, Chennai, under the heading "Past History", it is stated as " Diabetes mellitus/ Hypertension -10 years on Insulin/ OHA. ( Date of admission- 16/11/2011) Blood sugar readings on various dates as noted in the laboratory test reports prior to the date of proposal are mentioned as follows:-

Date of lab. report	Blood sugar readings (mg/dl)
13/02/2008	Fasting-167, PP- 249
15/02/2008	Fasting-300, PP-392
03/03/2008	Fasting—441, PP-482
07/04/2008	PP-185
26/2/2009	PP-266

In the discharge summary dated 04/02/2012 issued by Saravana Ortho& Multi Speciality Hospital, Chennai, diagnosis arrived at is shown as " Type II DM/CLD with Portal HT with Ascites/PT/ CA pancreatitis. Past history is notes as " Known case of CLD/Chronic pancreatitis/DM/HTN. Impression given by a Nephrologist is " Cirrhosis of liver with PHT, Pulmonary TB on irregular ATT, Chronic pancreatitis, UTI

From the records submitted by the Insurer, it is clear that the DLA was not keeping good health at the time of proposing for insurance. In view of the foregoing, the pre-proposal illnesses of the DLA and its non-disclosure have been clearly established. The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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#### SYNOPSIS

AWARD No: IO (CHN) L-086/2013-14 Dtd 24.12.13  
Complaint No. IO (CHN) / 21.016.2706 /2013-14  
Smt. A. Amirtham Vs. Shriram Life Insurance Co. Ltd

The complainant's son, Sri. A.Viswanathan, had taken a Shriram Money Back Term Plan Policy bearing number NN 031200132341 for a sum assured Rs.6,35,000/- with date of commencement as 25/10/2012. The above life assured died on 03/01/2013 due to train accident within a period of 2 months 08 days from the date of commencement of the policy.

The complainant, Smt.A.Amirtham, nominee under the above policy, preferred a claim for the policy moneys with the Insurer. The insurer has repudiated the claim on 27/09/2013 on the grounds that the details of the following other insurance policies with the other Insurers were not mentioned in the proposal form filled for applying for the policy in Shriram Life Insurance Company Ltd:-

Policy No.	Date of proposal	Date of commencement	Sum Assured (Rs.)
719921350	16/10/2012	18/10/2012	1,00,000
719921351	16/10/2012	18/10/2012	1,00,000
719921352	16/10/2012	18/10/2012	1,00,000
719921353	16/10/2012	18/10/2012	1,00,000
719921354	16/10/2012	18/10/2012	1,00,000
719921355	16/10/2012	18/10/2012	1,00,000

The Insurer has also informed the claimant in their repudiation letter that (a) the proposer applying for insurance is expected to correctly furnish all material information regarding health, habits, family history, personal medical history, income, other insurance policies etc. of the life proposed for insurance by giving correct answers to the questions in the proposal form (b) had they been informed about the other insurance policies of the deceased life proposed for insurance, it would have influenced their decision in issuing the policy.

A personal hearing of both the parties was held on 18/12/2013. During the hearing, both the parties to the dispute presented their versions.

The complainant has produced a copy of the proposal form dated 19/10/2012 (acknowledged by the Insurer on 22/10/2012) submitted to the Insurer in connection with above policy wherein the question numbers. (6) , (7) & (9) remain unanswered . Dashes were also not given as replies.

Reply was also not given for the rider details under question no.(4) in the proposal form. However, in the copy of the proposal form dated 19/10/2012 ( acknowledged by the Insurer on 22/10/2012) produced by the Insurer which was said to have submitted by the proposer to the Insurer in connection with the above policy, questions nos. (6) and (7) were answered as "Nil". No answer is furnished for the rider benefits under question no. (4). A tick is given under "Yes" box for question no. (9) (c) and a tick is given under "No" box for question nos. (9) (c ) (1) to (5). The complainant asserted during the hearing that the copy of the proposal form which was submitted to the Forum by her was the copy of the proposal form which was attached along with the policy document.

When the insurer's representative's attention was drawn to Pg. No 2 and 3 of the proposal forms submitted both by the complainant and the Insurer, she agreed that the photocopy of the proposal form produced by the complainant does not have anything in Column 6,7 whereas in the original proposal form with the Company, both these columns are crossed nil with different pens and different handwriting and also

various columns in item No 9 are ticked in the original proposal form whereas no such ticks are there in the photocopy..

The Insurer has failed to establish that the proposer/life assured himself had answered the questions in the proposal (available with the insurer) seeking information on the details of earlier policies the proposer/life assured had with other insurance companies.

As per the policy terms and conditions of the policy, benefit payable in the event of the death of the life assured before the conversion date is sum assured plus all basic premiums paid upto the date of death. ( date of conversion- 25/10/2032.).

The Insurer's action in repudiating the claim is not justified and the Insurer was directed to settle the claim for the full sum assured under the above policy along with other benefits available under the policy as per the policy contract.

The complaint was allowed.

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#### **SYNOPSIS**

**AWARD No: IO (CHN) L- 087 /2013-14 Dtd 30.12.13**

**Complaint No. IO (CHN) /21.01.2707/2013-14**

**Smt. D.Mithlesh Sharma Vs. LIC of India, Chennai DOI**

The complainant's husband, Sri M.Dharmendra Kumar, had taken a New Bima Gold policy bearing number 715173860 for a Sum assured Rs.10,00,000 /- with date of commencement as 25/02/2008 from LIC of India, Chennai Division I. The above life assured died on 07/05/2011 within a period of 03 years 02 months 12 days from the date of commencement of the policy.

The complainant, Smt. D.Mithlesh Sharma, the nominee under the above policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on 03/04/2012 on the grounds that (a) the life assured, before he proposed for the above policy, had Hypercholostremia since 5 years, jaundice in 1998, chest pain in December 2007, Angiogram done on 12-02-2008 as per discharge summary of Mohan's Diabetic Centre, Gopalapuram (b) the life assured did not disclose these facts in his proposal.

A personal hearing of both the parties was held on 05/12/2013. During the hearing, both the parties to the dispute presented their versions.

As per the Diabetes case sheet dated 26/02/2008 issued by Dr.Mohan's Diabetes Specialities Centre, Gopalapuram, Chennai, under the heading " Diabetes History", it is mentioned as " Diabetes – 3 months. Detected at the stage of 40 years in 2007. Detected while under-going for general check up ". Blood sugar level readings noted as follows :- Latest (30/01/2008) FBS- 116, PPBS- 150; Highest (30/11/2007) – FBS- 848, PPBS- 105 . Associated illness shown as " Hypercholostremia since 5 years/ had jaundice in the year 1998, had chest pain in December 2007- consulted doctors- Angiogram done on 12/02/2008, Advised CABG. CAD/TUD/Good LV function. Diabetes Mellitus. Hyperlipidemia. Anemia." In the certificate dated 30/05/2012 issued by Dr. Mohan's Diabetes Specialities Centre , Gopalapuram, Chennai, it is mentioned as " This is to certify that Mr.Dharmendra Kumar (M.No. 141328) was under our treatment only as Out Patient (OP) basis. He was never admitted in our Hospital. We have treating him as OP patient since 2008 and his last visit to our centre is 19/11/2010 as an out-patient."In the follow –up sheet dated 19/11/2010 issued by Dr. Mohan's Diabetes Specialities Centre , Gopalapuram, Chennai it is mentioned as" Review after 2 years 8 months. Delayed follow=up. No specific reason. Under-went General check up for CAD . 4<sup>th</sup> Double vessel disease (chelation therapy 4 months once) in 2008."Medical records of Dr. Mohan's Diabetes Specialities Centre, Gopalapuram, Chennai, clearly establishes the pre-proposal illness of the DLA.

In the Agent's Confidential cum Moral Hazard Report dated 23/02/2008, the intermediary has mentioned that he knew the life proposed since 1 year. He has not revealed the then existing ailments of the life proposed in the said report. The Insurer has just issued a warning letter to the said agent on 27/03/2013. The policy was completed under medical scheme. The authorised Medical Examiner of the Insurer has not brought out the then existing illness of the life proposed in his medical report dated 23/02/2008. The policy has been called in question after a period of 4years 1 month 8 days from the commencement of the policy. The policy was taken for a term of 20 years and 3 yearly premiums were paid amounting to Rs.1,35,585/-The above points leave scope for providing some relief to the complainant on ex-gratia basis.

The Insurer was directed to pay an EXGRATIA amount of Rs.30,000/- (Rupees Thirty Thousand only) to the complainant IN FULL AND FINAL SETTLEMENT OF THE CLAIM under the above policy.

The complaint was PARTLY ALLOWED on Ex-gratia basis.

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## **SYNOPSIS**

**AWARD No: IO (CHN) L- 088 /2013-14 Dtd 31.12.13**

**Complaint No. IO (CHN)/21.007.2645 /2013-14**

**Smt A.Haseena Begum Vs. Max Life Ins. Co. Ltd**

The complainant's husband, Sri. Ahmed Basha, had availed housing loan from Axis Bank Ltd. He had applied for life insurance cover under Max Group Credit Life Insurance plan under Master policy no. 124897( master proposal no. 124897) issued to Axis Bank Ltd., through application form cum declaration of good health (DOGH) for home loan (application no. 868158) dated 27/11/2012. Member's cover commenced from 30/11/2012. As an evidence of insurance cover, Sri. Ahmed Basha, was issued Certificate of Insurance (COI) No. PHR 008200606366 for a sum assured of Rs.9,61,691/- at inception. Term of loan is 13 years and Rs. 40791/- was collected towards premium (including service tax @12.36%). The life assured died on 18/04/2013 within a period of 4 months 18 days from the effective date of coverage.

The complainant, Smt A. Haseena Begum , wife of the deceased life assured, preferred a claim for the policy monies with the Insurer. On 29/06/2013, the Insurer has declined the death claim under the above-mentioned policy for reason of material medical non-disclosure.

A personal hearing of both the parties was held on 18/12/2013. During the hearing, both the parties to the dispute presented their versions.

In the Attending Physicians statement (Form C) dated Nil completed by Dr.H.Veena, MIOT hospital, Chennai , under the heading "Details of illness", it is mentioned as : Acute pulmonary edema, Chronic atrial flutter, diabetic mellitus, cardio respiratory arrest. Lfe assured's presenting complaints were mentioned as "K/c/o HCM (Non- obstructive)-asymmetrical septal hypertrophy. ( date of admission- 16/04/2013) .In the discharge summary dated 20/03/2013 issued by MIOT Hospital, Chennai, Final diagnosis is stated as " present admission- breathlessness for evaluation, normal LV function/ recent pulmonary edema(March 2013) / atrial flutter with controlled ventricular response/ hypertrophic non-obstructive Cardiomyopathy, normal coronaries on CAIG (Feb 2013 & March 2012)/ diabetes mellitus/ GERD. As per the Claim investigation report dated 06/06/2013 completed by Stellar Insurance Management Services, the DLA had consulted the doctor at MIOT Hospital Chennai on 27/11/2012 for breathlessness and giddiness and cause of death is acute pulmonary edema and other illness contributing to that is mentioned as HCM, Chronic AF.

From the records submitted by the insurer, it is clear that DLA was not maintaining good health prior to the date of application form cum declaration of good health (DOGH) for home loan (application no. 868158) dated 27/11/2012. submitted at the time of entry into the scheme. Pre proposal illness of the deceased life assured has been clearly established. .

On the back side of the Certificate of Insurance (COI) , terms and conditions are specified wherein under the heading " Misstatement" it is mentioned as " The Insured members are required to disclose to the Company in any application, or any medical examination and any written statements , answers furnished as evidence of insurability, every fact i.e. material to the insurance and which is known to the insure member. A failure to disclose, or a mis representation of such fact, will render the contract voidable by the company, and there shall be a return of premium paid, after deducting any medical fees and expenses incurred in respect of such insured member, provided always that there is fraud on the part of the policy-holder or such insured member, any premium paid is not refundable."

Repudiation is on the basis of material medical non disclosure and no fraud is alleged in the repudiation letter. The Insurer in their SCN on Pg 2, Item No 2 have stated that it was "willfully and intentionally suppressed." This is not the correct position.

In view of the above,, the claimant is entitled for refund of premium to the extent of Rs.35,800/- ( Rupees Thirty five thousand eight hundred only), as per the policy conditions.

The Insurer's decision to repudiate the claim is fully justified. However, the Insurer was directed to refund the premium paid to the extent of Rs.35,800/- ( Rupees Thirty five thousand eight hundred only). under the above policy as per the terms & conditions governing the policy.

The complaint was PARTLY ALLOWED.

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#### SYNOPSIS

AWARD No: IO (CHN) / L- 089 /2013-14 Dtd 10.1.14

Complaint No. IO (CHN)/21.03.2658/2013-14

Sri. S.Periyasamy Vs. LIC of India, Coimbatore D.O.

The complainant's son, Sri.P.Karthik, had taken a Jeevan Anand policy bearing number 764901579 for a Sum assured of Rs.1,00,000/- for a premium paying term of 30 years with date of commencement as 28/01/2007 from Coimbatore Division of LIC of India. The policy was revived on 30/08/2011 on the strength of Declaration of Good Health dated 30/08/2011 adjusting 3 yearly premiums for the dues 1/2009 to 1/2011. The above life assured died on 04/04/2012 within a period of 07 months 04 days from the date of revival and 5 years 2 months 6 days from the date of commencement of the policy.

The complainant, Sri.S.Periyasamy, nominee under the policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on 30/03/2013 on the



grounds that the life assured (a) had suffered from UREMIA/ CHRONIC KIDNEY DISEASE (b) was evaluated for DYSPEPSIA at an hospital at Udipi (c) was found to have RENAL INSUFFICIENCY and was treated there and (d) did not disclose these facts in the D.G.H. given at the time of revival.

A personal hearing of both the parties was held on 07/01/2014 at Coimbatore. During the hearing, both the parties to the dispute presented their versions.

In the discharge summary dated 01/11/2011 issued by Kovai Medical Centre & Hospital Ltd., Coimbatore, final diagnosis is mentioned as "FSGS, Chronic kidney stage IV". Presenting complaints is stated as "Evaluated for dyspepsia on 31/08/2011, found to have renal insufficiency. He was treated there- with diuretics/antihypertensive.." Under the heading "Impression", it is mentioned as "Bilateral medical renal disease. Lowerpole of left kidney marked". In the Certificate dated 26/12/2012 issued by Coimbatore Kidney Centre, Coimbatore, it is mentioned as ".....Mr.P.Karthick, S/o Periyasay, aged 24 years residing at Sengadu village, Thangachiammapatti Post, Ottanchathiram Taluk came to our hospital on 17/03/2012 for check-up and he was diagnosed to be suffering from CKD – STAGE V. He was advised to undergo dialysis treatment." In the death summary dated 03/08/2012 issued by Christian Fellowship Community Health Centre, Shanthipuram, Dindigul Dist. (date of admission- 28/03/2012, date of death 04/04/2012), diagnosis is stated as "Uremia, Chronic renal failure" . In the Medical Attendant's Certificate dated 29/05/2012 completed by Dr. Obycherian, Christian Fellowship Community Health Centre, Shanthipuram, Dindigul Dist., primary cause of death is stated as CRF and secondary cause of death is mentioned as Uremia. The doctor has also mentioned that DLA had been suffering from this disease 6 months before his death.. Other diseases co-existed with that which immediately caused the death of life assured are stated as Nil. In the Certificate of Hospital Treatment)dated Nil completed by Dr. Obycherian, Christian Fellowship Community Health Centre, Shanthipuram, Dindigul Dist., diagnosis arrived at in the hospital is stated as Uremia, CRF. Exact history reported by the patient at the time of admission in the hospital is noted as Asthenia and duration of the complaint as reported by the patient is shown as 6 months.

The DLA had signed and submitted the DGH on 30.08.2011 at Coimbatore and on the next day, he has consulted a Doctor at Udipi and was diagnosed to be suffering from DYSPEPSIA and Renal insufficiency. He was treated with diuretics/anti-hypertensive. Impression given was "Bilateral medical renal disease. Lowerpole of left kidney marked" by Kovai Medical Centre & Hospital Ltd., Coimbatore in the discharge summary dated 01.11.2011. Secondly, DLA had consulted Coimbatore Kidney Centre, Coimbatore on 17.03.2012 for check-up, where he was diagnosed to be suffering from CKD –STAGE V. He was advised to undergo dialysis treatment. The time gap from the DGH to this diagnosis is just over six months. The points noted in Para 7, give rise to the suspicion that the DLA must have been suffering from Kidney related problems and also must be aware of the same before going for revival of the policy. The ailment namely, CKD – STAGE V could not

have developed within a short span of 8 months from the date of revival of the policy. The Life assured has not mentioned his pre-revival illness in the DGH form dated 30.08.2011 submitted at the time of revival of the policy. The complainant also admitted during the hearing that the DLA might have taken treatment in a hospital at Udipi. He further added the DLA took treatment as an Outpatient in Coimbatore Kidney Centre, Coimbatore since there was no improvement.

The representative of the Insurer informed the Forum during the hearing that they have not received reply from the agent (who has introduced the policy and who has also witnessed the D.G.H. form dated 30/08/2011 submitted at the time of revival of the policy) for their letter dated 30/03/2013 addressed to him calling for his explanation. Premiums were paid for 6 years and the policy has been called in question after 6 years from the commencement of the policy. The above points pave way for providing some relief to the complainant on ex-gratia basis.

The Insurer was directed to settle the claim on EXGRATIA basis and pay the complainant a sum of Rs 20000/- (Rupees Twenty Thousand only) in full and final settlement of the claim.

The complaint was PARTLY ALLOWED under EXGRATIA.

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#### SYNOPSIS

AWARD No: IO (CHN)/ L-090 / 2013-14 Dtd 21.1.14

Complaint No. IO (CHN)/21.07.2739 /2013-14

Smt. T.Usha Vs. LIC of India, Tirunelveli Division

The complainant's husband, Sri. C.Regu, had taken a New Janaraksha policy bearing number 323878827 for a Sum assured Rs.50,000/- with date of commencement as 11/10/2011 from Tirunelveli Division of LIC of India. The above life assured died on 12/06/2012 within a period of 8 months 01 day from the date of commencement of the policy.

The complainant, Smt.T.Usha, nominee under the above policy preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on 30/03/2013 on the grounds that (a) the life assured was not maintaining good health prior to the date of proposal (b) the life assured was under treatment for heart disease since February 2011 and as per the records of Padmanabha Hospital (c) the deceased life assured had been under treatment for IHD (Ischemic heart disease ) from 02/01/2001

to 31/05/2012 and that the life assured did not disclose all these facts at the time of proposing his life for insurance.

A personal hearing was held on 09/01/2014. The complainant was not present during the hearing. During the hearing, the representative of the Insurer presented the Insurer's version with regard to the above complaint.

In the certificate dated 15/06/2012 issued by Dr.P.Senthil Kumar in the letter head Sri. Padmanabha Hospital, Kalimar, Colachel- 629251, (produced by the complainant) , it is mentioned that " ..Mr. Raghu, 50/M , S/o Chellam residing at H.No. 16-23, Kulalar Street has taken treatment for chest pain from me on 09/06/2012. He was advised to take rest and avoid strenuous work for one month." In the certificate dated 12/06/2012 issued by Dr.P.Senthil Kumar in the letter head Sri. Padmanabha Hospital, Kalimar, Colachel- 629251, (produced by the Insurer) , it is mentioned that " ...Mr. Raghu, 50/M , S/o Mr.Chellam had taken treatment for chest pain for IHD from me 02/01/2011 to 31/05/2012 from me. He expired on 12/06/2012 at 3.30 p.m. at his residence due to myocardial infarction. "In the certificate dated 18/03/2013 issued by Dr.P.Senthil Kumar in the letter head Sri. Padmanabha Hospital, Kalimar, Colachel- 629251, (produced by the Insurer) , it is mentioned that " .. Mr.Regu, 50/M, is a known gastritis patient. He is on treatment from for the past 2 years for gastritis and acid peptic disease. He was treated only as out- patient in my hospital and Asaripallam Govt. Medical College Hospital for gastritis only. In the Medical Attendant's Certificate dated 15/07/2012 completed by Dr. P.Senthil Kumar, Asst. Professor of Surgery , Kanyakumari Govt. Medical College , Asaripallam, Nagercoil, the doctor has not answered many questions including the questions relating to other disease or illness preceded/ co-existed with that which immediately caused the life assured's death and the ailments for which he had treated the DLA during the three years preceding his death. In the Certificate of Treatment dated 15/06/2012 completed by Dr. P.Senthil Kumar, Asst. Professor of Surgery , Kanyakumari Govt. Medical College , Asaripallam, Nagercoil, the doctor has not answered many questions in the said claim form including the questions relating to other disease or illness preceded/ co-existed with the ailment at the time of his consultation with him and the details of treatment given by him on any previous or later occasion.

It can be seen that Dr. P.Senthil Kumar , Reg No. 45009 has issued three certificates dated 12/06/2012, 15/06/2012 & 18/03/2013 for one and the same patient , Sri. C.Regu (DLA) wherein the nature of ailment for which he had given the treatment and also the duration for which the treatment given differs. Also, the same doctor has completed claim forms B & B-2, wherein he has conveniently avoided answering the

questions relating to previous ailments, treatment given for the same and duration of such ailment.

The Insurer has relied on the certificates dated 15/06/2012 & 18/03/2013 ( second certificate not mentioned in their repudiation letter ; however, a reference has been made in their office note dated 24/08/2013) to repudiate the claim under the above policy. No conclusive evidence was produced by the Insurer to substantiate the pre-proposal illness of the DLA. The above points leave scope for providing some relief to the complainant on ex-gratia basis.

The Insurer was directed to pay an ex-gratia of Rs.25, 000/- (Rupees Twenty Five Thousand Only) in full and final settlement of the claim under the above policy.

The complaint was PARTLY ALLOWED under ex-gratia.

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#### SYNOPSIS

AWARD No: IO (CHN) L-092 /2013-14 Dtd 21.1.14

Complaint No. IO (CHN) / 21.01.2738 / 2013-14

Smt.A.Panchavarnam Vs. LIC of India, Chennai DOI

The complainant's husband, Sri. K.Anbazhagan, had taken a Jeevan Saral policy bearing number 718154556 for a death benefit Sum assured Rs.1,00,000/- with date of commencement as 22/03/2008 from LIC of India , Chennai Division-I,. The above life assured died on 05/04/2011 within a period of 3 years 13 days from the date of commencement of the policy.

The complainant, Smt. A.Panchavarnam, wife of the above life assured and the nominee under the policy, preferred a claim for the policy monies with the Insurer. The Insurer has repudiated the claim vide their letter dated 16/12/2011 on the grounds that (a) before the life assured proposed for the above policy, he was a known CVA for 5 years and Hypertension /Diabetes Mellitus for 2 years (b) the life assured died due to Arterial disease (c) the life assured did not disclose these facts in his proposal . A personal hearing of both the parties was held on 09/01/2014. During the hearing, both the parties to the dispute presented their versions.

In the patient's history record dated 22/02/2011 issued by Govt. Royapettah Hospital , Chennai, it is mentioned that the patient (DLA )was a known HI patent/ CVA 5 years-irregular treatment. .In the patient's history record dated 15/03/2011 issued by Govt. Royapettah Hospital , Chennai, under the heading "Diagnosis", it is mentioned that the patient (DLA) is a known case of SHT for the past 2 years .In the Death Summary dated Nil issued by Govt. Royapettah Hospital , Chennai, post operative diagnosis is stated as"...a known HT/old CVA/ASO.."In the Certificate of Treatment dated 24/10/2011 completed by Dr.M.Uma, Civil Asst. Surgeon, Govt. Royapettah Hospital, Chennai, diagnosis arrived at is shown as " HT/old CVA/ASO/ Bilateral Tem- Pop arterial occlusion." Date of first consultation is given as 22/02/2011.Nature of complaint then is noted as "Incapacitating Claudication." Duration of the complaint as reported by the patient is mentioned as 6 months. Other disease or illness which preceded or co-existed with the ailment at the time of his(DLA) consultation with her is stated as "Hypertension/ Old CVA." Details such as when the ailment was observed by the patient, by whom DLA was treated were not furnished.( Reply given as " Details not known") In the "Medical certification of cause of death form" dated 05.04.2011 cause of death (final) diagnosis is noted as " HT/OLD CVA/ASO/.....- bypass done. Sudden MI/CARDIO RESPIRATORY ARREST." In the Certificate of hospital treatment dated 11/07/2011 completed by Dr.J.Moideen Abdul Kadhar, Civil Asst. Surgeon, Govt. Royapettah Hospital, Chennai, nature of complaint at the time of admission on 22/02/2011 is noted as "Incapacitating Claudication." Duration of the said complaint is furnished as 6 months. History reported for the other disease or illness which preceded/co-existed with the ailment at the time of the patient's admission in the hospital is noted as "Hypertension- 2 years."

The Insurer has mentioned in their repudiation letter that the DLA was a known case of CVA for 5 years and hypertension/ Diabetes Mellitus for 2 years and DLA did not disclose these facts in the proposal dated 22/03/2008. The life assured died on 05/04/2011 and 2 years duration of hypertension /diabetes mellitus prior to death goes back to 05/04/2009. Policy was taken on 22/03/2008 and the Insurer's contention that the DLA had not mentioned the ailment of hypertension/diabetes mellitus (which the life assured was said to be suffering from 05/04/2009 ) in the proposal dated 22/03/2008 has no relevance. At the same time, from the above records, the possibility of the DLA having suffered from CVA for the past 5 years prior to the his death could not be ruled out.

The Insurer has chosen to call in question the policy after 3 years 8 months 24 days from the date of commencement of the policy, far beyond the 2 years period prescribed under the sec.45 of the Insurance Act 1938, From the records submitted by the Insurer, one can not conclude that there was fraudulent intention on the part of the DLA for suppressing his health condition in the proposal form dated 22/03/2008.

The authorized medical examined has submitted his Confidential Report on 19/03/2008 whereas the same medical examiner has certified in the proposal form dated 22/03/2008 that the above life assured has signed in his presence after

admitting that all the answers to question nos.10 onwards of this form have been correctly recorded.

The Insurer was directed to pay an EXGRATIA amount of Rs.30,000/- (Rupees Thirty Thousand only) to the complainant in full and final settlement of the claim.

. The complaint was PARTLY ALLOWED on Ex-gratis basis.

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## SYNOPSIS

AWARD No: IO (CHN) L-093 /2013-14 Dtd 27.1.14

Complaint No. IO (CHN) / 21.01.2727 / 2013-14

V.Vijayan Vs. LIC of India, Chennai DOI

The complainant's brother, Sri. V.Sekar, had taken a Jeevan Saral policy bearing number 705796676 for a death benefit Sum assured Rs.1,25,000/- with date of commencement as 28/03/2012 from LIC of India, Chennai Division-I,. The above life assured died on 15/09/2012 within a period of 05 months 17 days from the date of commencement of the policy.

The complainant, Sri.V.Vijayan, brother of the above life assured and the nominee under the policy, preferred a claim for the policy money with the Insurer. The Insurer has repudiated the claim vide their letter dated 30/03/2013 on the grounds that (a) before the life assured proposed for the above policy, he had uncontrolled hypertension and diabetes mellitus (as per discharge summary of Sen Hospital) (b) Uncontrolled diabetes mellitus and hypertension leads to death. (c) the life assured did not disclose these facts in his proposal.

A personal hearing of both the parties was held on 09/01/2014.

In the discharge summary dated 01/09/2012 (date of admission-1/09/2012), issued by Sen Hospital, Perambur, Chennai, diagnosis arrived at is stated as "Uncontrolled HTN/DN. Past history is mentioned as "Known case of DM/HTN-discontinued 2 weeks; Surgical : Nil ". Advice on discharge: Diet- Normal. In the claim form (F.No.Claim 36-Certificate of Treatment) dated Nil completed by Dr.M.Venkatesan, Chairman & Chief Surgeon, Sen Hospital, Perambur, Chennai, date of first consultation of the life assured with him is given as 01/09/2012.Nature of the complaint then is noted as "Giddiness- 2 days." Diagnosis arrived at by him is stated as "Hypertension". The doctor has not answered the question seeking information on other disease or illness which preceded or co-existed with the ailment at the time of consultation.( He has put dashes) . The Authorized Medical Examiner of the Insurer in his confidential report dated 20/03/2012(submitted at the inception of the policy) had not pointed out any adverse features in the health (of the life proposed) past or present. The entire reliance has been placed by the Insurer on the discharge summary of the Sen Hospital, Perambur, Chennai dated 01/09/2012 which says diagnosis as "uncontrolled HTN/DM- discontinued for 2

weeks." Duration of DM/HTN has not been specified.. On the date of the proposal, there is no record to prove that the DLA was having DM/HTN. The same hospital authorities have not indicated any pre-existing illness of the DLA in the claim form 36(Certificate of Treatment). They had quoted the date of first consultation as 01/09/2012. It is clear from the above the DLA was not treated prior to 01/09/2012 in the said hospital. Treatment particulars/ prescription for the ailment of "Uncontrolled HTN/DM" said to have suffered by the DLA prior to the date of proposal have not been produced.

The Agent in his report has stated that he knew the Life Assured for the last 10 years and it is unbelievable that he could not know about the existence of DM and HT. Death of the life assured has occurred on 15/09/2012 within a period of 5 months and 17 days from the date of commencement of the policy. Close proximity between the date of death and the date of commencement of the policy could not be ignored. As per the Discharge Summary dated 01.09.2012 issued by Sen Hospital, Chennai, diagnosis arrived at is uncontrolled HTN/Dm. This ailment of "Uncontrolled HTN/DM" could not have developed within a short span of six months. Hence, the possibility of the DLA having suffered from diabetes mellitus and HTN prior to the date of proposal could not be ruled out.

The Insurer was directed to pay an EXGRATIA amount of Rs.40,000/- (Rupees Forty Thousand only) to the complainant in full and final settlement of the claim under the above policy.

**The complaint was PARTLY ALLOWED on Ex-gratis basis.**

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#### **SYNOPSIS**

**AWARD No: IO (CHN) L-094 /2013-14 Dtd 30.1.14**

**Complaint No. IO (CHN)/ 21.006.2771 /2013-14**

**Sri. S.Arul Jeganathan Vs. Birla Sun Life Insurance Company Limited**

The complainant's wife, Smt.A.Rosekalyani, had taken a BSLI Classic Life Plan policy bearing number 004905252 for sum assured of Rs.4,41,000/- with Policy issue date as 31/05/2011 from Birla Sun Life Insurance Company Limited. (Policy owner as per policy/Proposer as per proposal form- Sri.S.Arul Jeganathan). The above life assured died on 10/04/2013 within 1 year 10 months 9 days from the date of commencement of the policy.

The complainant, Sri. S.Arul Jeganathan, Proposer/policy owner under the policy, preferred a claim for the policy money with the Insurer. The Insurer has repudiated the claim on 07/07/2013 on the grounds that the life assured was diagnosed for Cancer Cervix with Bone Secondaries prior to her application for insurance and the company has been misled to issue the policy. The Insurer has informed the complainant vide their letter dated 02/01/2014 that fund value available as on 30/04/2013 under the above policy is Rs. 1,20,961.56 , the claim has been repudiated due to non-disclosure of material information pertaining to the life assured in the proposal dated 28.05.2011 and there is no pay-out in the said policy.

A personal hearing of both the parties was held on 24/01/2014.

In the Investigation Report (dated 28-29/04/2011 ) of Laboratory Services , Meenakshi Mission Hospital and Research Centre, Madurai, impression is noted as " Squamous Cell Carcinoma Grade II". In the Investigation report of Devaki Cancer Institute dated Nil, under the heading " Biopsy Report ( MM HARC Biopsy no. C594/11 29/04/2011), it is stated as " Sections from cervix biopsy shows tumour tissue exhibiting features of squamous cell carcinoma grade II. In the report (MRI of Lumbo-Saral Spine) dated 10/01/2013 of Devaki MRI& CT Scan Centre, Madurai, under the heading" Clinical History", it is stated as " Ca cervix, post RT status with spinal secondaries; chemo given-for follow-up". The records submitted by the Insurer clearly establish the pre-proposal illness / ailment of the life assured.

The Forum notes that in Unit Linked plans, the customer bears the risk of investment and the fluctuations of market conditions, as per the stated principle in such products and hence the Fund Value belongs to the claimant, not withstanding the repudiation of the death benefit.

Repudiation of the death claim by the Insurer is fully justified . However, the Insurer was directed to pay the Fund value available on the date of receipt of intimation of death to the complainant under the above Policy.

The complaint was **PARTIALLY ALLOWED.**

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#### **SYNOPSIS**

**AWARD No: IO (CHN) L- 095 / 2013-14 Dtd 31.1.14**

**Complaint No. IO (CHN) / 21.08. 2740 / 2013-14**

**Sri. M.Nagarajan Vs. LIC of India, Vellore Division**

The complainant's wife, Smt. N.Rani, had taken a Jeevan Saral policy (with profits) bearing no.735848776 with date of commencement as 09/07/2010 for death benefit sum assured of Rs.1,00,000/-from LIC of India, Vellore Division. The above life assured died on 18/10/2010 within 3 months 9 days from the date of commencement of the policy.

The complainant, Sri.M.Nagarajan, husband of the life insured and nominee under the policy, preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim vide their letter dated 12/04/2012 on the grounds that (a) the life assured, before she proposed for the above policy, had suffered from epilepsy for which she had taken treatment in Fortis Hospital, Bangalore. (b) the life assured did not disclose these facts in her proposal.

A personal hearing of both the parties was held on 09/01/2014.



In the certificate dated 13/10/2010 issued by CITI Hospital, Bangalore, it is mentioned as " This patient with history of fever since 8 days with urinary retention with swelling of legs and face since .....Epileptic since 25 years on T.Gardinal 60 mg., T.Corbomatepine CR 400 on evaluation , the patient was found to have Pylonephritis. In the Medical attendant's certificate dated 08/01/2011 completed by Dr.M.N.Bojamma, Fortis Hospital, Bangalore, , primary cause of death of life assured is mentioned as Viral Septicemia Multi organ failure. .Against the question "what other disease preceded or co-existed with that which immediately caused death ", reply is given as " Urinary tract infection " In the Certificate of Hospital Treatment dated 08/01/2011 issued by Forties Hospitals Limited, Bangalore, date of admission in the hospital is mentioned as 13/10/ 2010 . Nature of the complaint at the time of admission is stated as " Fever -8 days; Urinary retention and swelling of legs and face -12/10/2010; breathlessness since 13/10/2010. " Diagnosis arrived at in the hospital is mentioned as "Viral Septicemia/ urinary Tract infection/ multi organ failure." Other disease or illness which preceded or co-existed with the ailment at the time of admission in the hospital is stated as " Known case of Seizure Disorder."In his letter dated 06/12/2011 addressed to the Insurer, the complainant has stated as " ... regarding the Epilepsy, before she was getting married, she was suffering from some nervous defect , that too, only if she got cold ailments, particularly, in the winter session only.."

The records submitted by the Insurer clearly establish the pre-proposal illness of the DLA. Repudiation of the death claim by the Insurer is fully justified.

The complaint was DISMISSED.

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**SYNOPSIS**

**AWARD No: IO (CHN) L- 096 /2013-14 Dtd 31.1.14**

**Complaint No. IO (CHN)/21.002.2802 /2013-14**

**Sri. K.Anbalagan Vs. SBI Life Insurance Co ltd**

The complainant's father, Sri.K.Mohadasan, had availed tractor loan from State bank of India under loan account no. 31503931381. (loan type- Tractor Loan ). He had applied for SBI Life Dhanaraksha Plus LPPT Group insurance scheme under Master policy no. 93000000909 issued to State Bank of India through membership form no. 931438993 dated 24/12/2010. The member's cover commenced on 31/12/2010. Sri.K.Mohanadasan was issued Certificate of Insurance (COI) (Membership form no. 931438993) for a sum assured of Rs.5,36,673/- at inception. Term of loan is 10 years and Rs. 60,673/- was collected as premium towards Group Term Insurance Cover under the SBI Life Dhanaraksha Plus LPPT Master policy no. 93000000909. The life assured died on 24/01/2012 within a period of 1 year 24 days from the date of commencement of the risk

under COI 931438993 under master policy no. 9300000909. Moratorium option exercised was "without interest repayment", with a moratorium period of 6 months. Sum assured covered as on the date of death is Rs.5,53,072/- (outstanding tractor loan as on the date of death)

The complainant's son, Sri. K.Anbalagan, preferred a claim for the policy money with the Insurer. On 30/01/2013, the Insurer repudiated the claim on the grounds that the policy holder had given a false Good Health Declaration and had not disclosed material fact at the time of entry into the scheme. They have further added that the life assured was diagnosed with cerebro vascular accident, hypertension and diabetes mellitus and was taking treatment prior to the date of enrollment of policy. It is also communicated in the letter that as per age proof available with them, late K.Mohandasan, was 70 years while joining the scheme which exceeded the maximum age eligibility criterion for entry into the scheme and as per the policy conditions, the maximum age for which the coverage is available to the member is 60 years and hence the claim is repudiated.

A personal hearing of the parties was held on 24/01/2014. The complainant was represented by his duly authorised representative. During the hearing, both the representatives of the insured and the Insurer presented their versions.

From the discharge summary dated 22/12/2011 (date of admission- 14/11/2011) issued by Apollo Hospital, Greams Lane, Chennai, It is clear that the DLA was suffering from diabetes mellitus, hypertension and was a known case of old cerebrovascular accident prior to the date of enrollment of the policy. Pre-proposal illness of the DLA and its non-disclosure have been clearly established.

Age of the life insured at the time of entry into the above group scheme differs as per the various documents submitted (Membership form dated 14/12/2010, ration card, voter's ID card, death certificate and discharge summary dated 23/12/2011.) The Insurer has mentioned in their self-contained that the DLA had understated his age in the proposal form and has procured the insurance cover fraudently. At the time of entry into the scheme, the Insurer had the opportunity to verify the correctness of date of birth mentioned in the membership form which he did not utilize. Hence, the issue raised by the Insurer at the time of claim that the DLA resorted to under-statement of age is not tenable.

Premium periodicity is not clearly mentioned in the certificate of insurance provided to the insured. It is only mentioned in the master policy.

Incidentally, it is found that IRDA has issued final penalty order ref:- IRDA/LIFE/ORD/MISC/215/09/2012 on 18/09/2012 with regard to the product "Dhanaraksha Plus Limited Premium Paying Term (2 years)". Under charge 9 of the said final order, it is stated as follows:- "The Insurer offered Dhanaraksha Plus Limited Premium Paying Term (2 years) group product as a single premium product against the approved F& U norms by receiving second year's premium in advance along with first year's premium..... From the certificate of insurance and the membership forms, it is observed the members are not guided about the fact that the product is yearly premium payment product as, in almost all cases of regular policies of the product, both years premiums are received as single instalment..." They have further observed that "the product, as per the file and use, was to be offered as Limited premium paying term with yearly premium payment option. On examining the observations and the submissions, it is

noticed that .... Insurer did not obtain prior approval under File and Use for giving 4% discount on the premium. On comprehensively examining all the above factors .... the Insurer has adopted business policies in violation of prescribed norms as under:- Two year policies sold as single premium policy in violation of File and Use Copy..." The Insurer was also imposed a penalty for the same.

The points mentioned above show that the Insurer is not properly following the IRDA (Protection of Policyholders' Interests) Regulations 2002 and as such this Forum is of the opinion that some relief may be provided to the complainant on Ex-gratia basis.

The Insurer was directed to pay the complainant a sum of Rs. 48,000/- (Rupees Forty Eight thousand only) on Ex-gratia basis in full and final settlement of the claim.

The complaint was Partly Allowed on Ex-gratia basis.

#### **SYNOPSIS**

**AWARD No: IO (CHN) L-097/2013-14 Dtd 31.1.14**

**Complaint No. IO (CHN) / 21.01.2788 /2013-14**

**Smt G.Jayanthi Vs. LIC of India, Chennai DOI**

The complainant's husband, Sri.A.Vijay Adhavan, had taken a Jeevan Anand policy bearing no 705731818 for a sum assured of Rs 3,00,000/- with date of commencement as 28/01/2012 under quarterly mode with a premium of Rs 5651/- for a term of 16 years. from LIC of India , Chennai DO I. He died on 07/05/2012 within a period of 3 months 9 days from the date of commencement of policy. The cause of death is road accident.

The complainant, Smt G.Jayanthi, nominee under the policy, preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim vide letter dated 30/03/2013 on the grounds that (a) the life assured , before he proposed for the above policy, had undergone brain tumour surgery 3 years back (b) as per the discharge summary of K.G.Hospital, Coimbatore (dated 26/07/2006) , the life assured was diagnosed as suffering from pituitary tumour. (c) the life assured did not disclose these facts in his proposal..

A personal hearing of the parties was held on 24/01/2014. The complainant was represented by her authorised representative. During the hearing, the representatives of the complainant and the Insurer presented their versions.

In the discharge summary dated 06/08/2006 ( date of admission- 26/07/2006) issued by K.Govindaswamy Naidu Medical Trust K.G.Hospital, Coimbatore, diagnosis/provisional diagnosis / preoperative and postoperative diagnosis is mentioned as " Pituitary tumour". Under the heading " History", it is stated as " This patient is admitted with complaints of headache and diminution of vision both eyes since 6 months, progressive since 1 month....." Date of operation- 27/07/2006. Operative procedure proposed and executed is stated as " Right frontal craniotomy and pituitary tumour excision." In the discharge summary dated 07/05/2012 issued by Manipal Hospital, Salem, past history of the patient is mentioned as "Frontal craniotomy operated by brain tumour before 3 years." Certificate dated 25/05/2012 issued by Manipal Hospital, Salem also confirms the

same position.. Copies of First Information report, Post-Mortem Report and Police Inquest Report confirm that the death of the life assured is due to RTA.

The records submitted by the insurer clearly establish the pre- proposal illness and the brain surgery undergone by the DLA before he proposed for the above insurance..

As per the employer's certificate date 21/10/2012, the life assured has not availed any leave on medical grounds (date of joining service- 28/01/2009). Date of death is 07/05/2012 and date on which the DLA last attended the duties was 05/05/2012. The life assured had undergone surgery on 27/07/2006 and death has occurred due to accident on 07/05/2012 after nearly 6 years from the date of surgery. As per PIR , the life assured was a pillion rider only at the time of accident. These points leave some scope for providing relief to the complainant on ex-gratia basis.

The Insurer was directed to pay an EXGRATIA amount of Rs.30,000/- (Rupees Thirty Thousand only) to the complainant by the Insurer IN FULL AND FINAL LEMENT OF THE CLAIM under the above policy.

The complaint was PARTLY ALLOWED on Ex-gratia basis

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#### SYNOPSIS

AWARD No: IO (CHN) L-099 /2013-14 Dtd 17.2.14

Complaint No. IO (CHN)/21.07.2781 / 2013-14

Sri. G.Arumuga Perumal Vs. LIC of India, Tirunelveli Division

The complainant's daughter, Smt.A.Nageswari, had taken Jeevan Anand Policy bearing number 323372847 for a Sum assured Rs. 5,05,,000/- for a premium paying term of 21 years with date of commencement back-dated to 22/10/2009 ( date of proposal- 11/01/2010) under half-yearly mode with a premium of Rs.12775/- from LIC of India, Tirunelveli Division.. The above life assured died on 15/05/2012 within period of 2 years 6 months 23 days from the date of commencement of the policy.

The complainant, Sri. G.Arumuga Perumal, nominee under the policy preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim on 27/11/2012 on the grounds that the life assured (1) before she proposed for the above policy, was not maintaining good health (2) suffered from SLE skin& lung involvement , Neuropsychiatric involvement Vaculitis, Right Middle & Left Lower lobe Bronchicetasis, Manic disorder& Neuropsychiatric SLE for which she had consulted a medical man (3) had taken treatment in a hospital (4) was on leave from 19/03/2009 to 17/05/2009.. It is also said that as per the records received from Sneka Mind Care Centre, Tirunelveli and Apollo Speciality Hospitals, Madurai, the life assured had been diagnosed to be suffering from SLE skin and lung involvement, Neuropsychiatric involvement Vaculitis, Right Middle & Left Lower lobe Bronchicetasis, Manic disorder and Neuropsychiatric SLE and was admitted on 21/03/2009 to 31/03/2009 at Sneka Mind Care Centre, Tirunelveli and from 16/04/2009 to 22/04/2009 at Apollo Hospitals, Madurai which are prior to the date of proposal.

A personal hearing of both the parties was held on 05/02/2014 at Trichy. During the hearing, both the parties to the dispute presented their versions.

In Claim Form E dated 14/09/2012 issued by The Head- Master, Govt. Higher Secondary Scholl, Villathikulam date of joining service is noted as 31/12/2008. . In claim Form E dated 06/05/2012 issued by the Head-Master, Govt. Higher Secondary School, , Ar..(?), it is mentioned that the DLA was on loss of pay for 60 days from 19/03/2009 to 17/05/2009. In the discharge summary dated 31/03/2009 issued by Sneka Mind Care Centre, Tirunelveli, (date of admission- 21/03/2009) diagnosis arrived at is stated as Manic Episode with SLE skin and lung involvement. Under the heading " Present History", it is mentioned as " Excessive talking, laughing, increased talk, food refusal, decreased sleep since 20 days, In his reference letter dated 31/03/2009 addressed to Apollo Hospital, Madurai, Dr. C.Panneer Selvam, Sneka Mind Care Centre, Tirunelveli, has mentioned as " Herewith I am referring this patient Mrs. Nageswari, . She is diagnosed to have Manic Episode with ? SLE induced lung and skin manifestation. She is on mood stabilizer (n Lithium) and Antipsychotic drug( Risperidone). Kindly do the needful for her lung problem."In the discharge summary dated 22/04/2009 ( date of admission- 16/04/2009), issued by Apollo Speciality Hospitals, Madurai, diagnosis arrived at is shown as " SLE skin and lung involvement/ Neuropsychiatric involvement/ Vasculitis/ Right Middle and left lower lobe Bronchicetasis/ manic disorder/ neuropsychiatric SLE. Under the heading " Clinical History" , it is stated as " .....known case of manic disorder..."In the medical case sheet dated 16/09/2011 issued by Command Hospital Air Force, Bangalore, it is mentioned that " ..k/c/ o neuropsychiatric SLE with skin and lung involvement...., manic disorder ., . right Middle and left lower lobe Bronchicetasis onset- March 2009..."

It is clear from the records submitted by the Insurer that the DLA was not maintaining good health prior to the date of proposal. Pre-proposal illness of the DLA has been clearly established.

The policy was taken under half-yearly mode and six half-yearly premiums totaling to Rs. 76,650/- stand paid.. The intermediary at the point of sale has mentioned in his "Confidential Report/ Moral Hazard report "dated 11/01/2010 that she knew the life proposed for 6 months. The intermediary would have known at the point of sale that the life proposed (life assured) was not maintaining good health and had taken treatment in hospitals. The same was not reflected in his Confidential Report/ Moral Hazard report dated 11/01/2010.

The Insurer was directed to pay an EXGRATIA amount for Rs.10,000/- (Rupees Ten Thousand only) in full and final settlement of the claim.

The complaint was PARTLY ALLOWED under Ex-gratia.

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**synopsis**

**AWARD No: IO (CHN) L- 100 / 2013-14 Dtd 26.2.14**

**Complaint No. IO (CHN)/21.04.2829 / 2013-14**

**Smt. K.Sowdammal Vs. LIC of India, Madurai Division**

The complainant's husband, Sri. K.Nandagopal, had taken an Endowment Assurance policy (with profits) bearing number 742315769 for a Sum assured of Rs.1,00,000/- for a term of 20 years with date of commencement as 13/11/1999 under monthly mode with a premium of Rs. 469/- from Madurai Division of LIC of India. The policy was revived on 21/08/2008 by adjusting the premiums for the dues 03/2007 to 08/2008 (18 monthly premiums) on the basis of personal statement regarding health ( DGH) completed by the life assured. . The above life assured died on 19/06/2011 within a period of 2 years 9 months 28 days from the date of revival and within a period of 11years 07 months 06 days from the date of commencement of the policy.

The complainant, Smt. K.Sowdammal, nominee under the policy preferred a claim for the policy money with the Insurer. The Insurer had repudiated the claim on 22/10/2012 on the grounds that (a) the life assured was not maintaining good health (b) as per Hospital records of Karthick Clinic, Cumbum, and Meenakshi Mission Hospital, Madurai, the deceased life assured had under-gone Coronary Angioplasty on 12/08/2007 (c) the life assured had a past history of Type II Diabetes Mellitus since 2001 , which is prior to proposal and (d) the life assured did not disclose all these facts at the time of revival. The insurer has also informed the claimant in their repudiation letter that they admit the claim for the paid –up value of the policy accrued before revival and they have requested her to contact their Branch office for the payment of net paid –up amount of R.42003/- (paid=up value + bonus of Es.78467/- less loan + interest of Rs.36,464/- ).

A personal hearing was conducted on 19/02/2014. During the hearing, the representative of the insurer presented the insurer's version with regard to the above complaint. The complainant was not present during the hearing.

In the discharge summary dated 18/08/2007 issued by Meenakshi Mission Hospital and Research Centre, Madurai, (date of admission- 12/08/2007) Diagnosis arrived at is shown as " Coronary Artery disease /,total acute occlusion of Lad/ Post infarct angina/ acute extensive anterior wall MI/ severe LV dysfunction/ Type II diabetes mellitus/ successful PTCA stent to Lad done with IABP support. Under the heading Procedure", it is mentioned as " Coronary angiogram done on 12/08/2007. .PTCA done on 12/08/2007." It

is also mentioned that the patient was admitted at Cumbum and was treated as acute Anteroseptal MI and not thrombolysed. Under the heading " Past history", it is stated as " H/o Type II diabetes mellitus since 2001/ H/o APD+/ H/o Angina(ASS) 1 week back/ .." ..."

As per the Medical Attendant's Certificate dated 23/08/2011 completed by Dr. S.Chrapandian, Govt. Theni Medical College Hospital, Theni Dist.. , , primary cause of death is "AC CVA/Cardio respiratory arrest.". Secondary cause of death is " DM/old AAMI . Angio -plasty done 5 years back." Other diseases or illness preceded/ co-existed with that which immediately caused the death is stated as " DM/CAD/ Angio-plasty done 5 years back."

The records submitted by the Insurer clearly establish that the DLA was not maintaining good health at the time of revival of the policy on 21/08/2008.

The Insurer, vide their letter dated 14/02/2014, has informed this Forum that the revival papers including the DGH form submitted by the DLA for the revival of the policy on 21/08/2008 are not available with them..

The policy has been called in question after 12 years 11 months 9 days from the commencement of the policy and 4 years 2 months 1day from the revival of the policy on 21/08/2008 thereby attracting section 45 of the Insurance Act 1938. Though pre-revival illness of the DLA has been established, the D.G.H form said to have been submitted by the DLA at the revival of the policy on 21/08/2008 is not available with them. The insurer has chosen to repudiate the claim based on the answers said to have been furnished by the DLA in the said D.G.H form. It is purely based on presumptions only. It is not certain whether DGH was obtained at the time of revival and the DLA had answered the questions as presumed by the insurer. The insurer has nullified the revival based on presumption of answers in the D.G.H. form.

The Insurer was directed to to pay an additional amount,as ex-gratia, of Rs. 26,500/- (Rupees Twenty six Thousand five hundred Only) in full and final settlement of the claim . In addition to this, the complainant may avail the Insurer's offer of the payment of Rs.78,467/- (less the amount of loan and interest outstanding as on the date of death) offered by the insurer towards accrued paid-up value inclusive of bonus available before revival under the above policy.

The complaint was **PARTLY ALLOWED ON EX-GRATIA BASIS.**

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## CHENNAI

### SYNOPSIS

**AWARD No: IO (CHN) L-101 /2013-14 Dtd 26.2.14**

**Complaint No. IO (CHN) /21.08.2830 /2013-14**

**Smt.R.Sangeetha Vs. LIC of India, Vellore Division**

The complainant's husband, Sri T.Ravichandran, had taken a LIC's Jeevan Saral policy bearing number 735716236 for a Sum assured Rs. 1,00,000/- for a term of 15 years under half-yearly mode with a premium of Rs.2426 /-from Vellore Division of LIC of India with date of commencement as 08/10/2010. The policy was revived on 09/05/2012 on the strength of Personal Statement Regarding Health dated 08/05/2012 made by the life assured by adjusting 3 half-yearly premium dues 04/2011 to 04/2012. The above life assured died on 24/05/2012 within a period of 15 days from the date of revival and within a period of 1 year 7 months 16 days from the date of commencement of the policy.

The complainant, Smt.R.Sangeetha, nominee under the policy, preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim vide their letter dated 25/03/2013 on the grounds that the life assured had suffered from cerebro vascular accident for which he took medical treatment in a hospital and the life assured did not disclose these facts in the personal statement regarding health submitted at the time of revival of the policy.

A personal hearing of both the parties was held on 20/02/2014. During the hearing, both the parties to the dispute presented their versions.

In the Medical Attendant's Certificate dated 31/12/2012 completed by Dr.....(????), Asst.Professor, Pondicherry Institute of Medical Sciences, Pondicherry, primary cause of death is mentioned as "Cerebro vascular accident" with secondary cause of death mentioned as "Post Craniotomy refractory shock." It is mentioned that the DLA had been suffering from this disease since 2 weeks prior to his death and the symptoms of the illness were first observed by the deceased on 06/05/2012. It is also stated that first aid treatment was given at Rajah Muthiah Medical College Hospital, Annamalai Nagar. (O.P. No. 10379408 date 06/05/2012). In the Certificate of Hospital treatment dated 31/07/2012 issued by Pondicherry Institute of Medical Sciences, Pondicherry, date of admission in the hospital is mentioned as 06/05/2012. Nature of the complaint at the time of admission is stated as "Seizure with left sided weakness." It is said that the ailment was first observed by the DLA on 06/05/2012. Date of discharge from the hospital is noted as 24/05/2012 (date of death). In the "Pre-Authorization Form" (for the insurance scheme -interim period) dated 06/05/2012 issued by Pondicherry Institute of Medical Sciences, Pondicherry, under the heading "Chief complaints", it is stated as "Left sided weakness with seizure and duration of present ailment is noted as 3 days. Under the heading "Detailed History", it is stated as H/O acute onset left sided weakness with altered sensorium for 3 days with 1 episode of GTCS." Under the heading "Provisional diagnosis", it is stated as "CVA with right MCA territory Ischemic Infarct with post craniotomy (decompression)."



It is clear from the records submitted by the Insurer that the DLA was taking treatment in a hospital on the date of revival i.e. on 09/05/2012 which was not disclosed by the DLA in the personal statement regarding health dated 08/05/2012. The Insurer was deprived of assessing the risk properly because of the non-disclosure of this material information at the time of revival of the policy.

The claimant/complainant has stated in her representation dated 21/06/2013 addressed to the Zonal Manager, LIC of India, Chennai ( a copy of which was submitted to us - not signed) that " The intermediary who has introduced this policy informed her husband that the policy stood lapsed. To revive the policy, the agent got the signature of her husband in a blank form. The form was filled by the agent. On 24/04/2012, her husband handed over the arrears of premium with interest to the agent by cash. Her husband fell ill on 06/05/2012 and treatment was given."

The representative of the Insurer admitted during the hearing that the personal statement regarding health dated 08/05/2012 was witnessed by the agent who has introduced the policy. The representative also admitted that the amount required for revival was remitted by cash on 09/05/2012. In the Zonal office note for repudiation, the following reference has been made to the revival amount paid to the agent which reads as follows:- "Appeal preferred by wife of DLA and in her appeal she states that the premium cheque was given to the agent on 24/04/2012. "In his review note , R.M.(Legal) has stated as " Suppression of cerebro vascular accident during revival...Nominee states that premium cheque was given to the agent on 24/04/2012. But no explanation from agent ...."

The representative of the insurer admitted during the hearing that no explanation was called for from the agent regarding revival amount said to have been handed over to him by the life assured on 24/04/2012.

From the available records, it could not be confirmed whether the revival amount was paid by the life assured to the agent by cash on 24/04/2012, as alleged by the complainant. At the same time, the possibility of the same could not be ruled out as the revival amount has been paid by cash and no explanation has been obtained from the concerned agent in this regard. The onset of the ailment ( on the basis of which the Insurer has repudiated the claim) is on 03/05/2012 only which is 3 days prior to the date of admission in the hospital. One may not be at fault if he comes to the conclusion that the DLA was not suffering from the said ailment on 24/04/2012, the day on which the complainant alleges that the revival amount was paid by cash to the concerned agent.

The Insurer was directed to pay an EXGRATIA amount of Rs. 50,000/- (Rupees Fifty Thousand only) to the complainant . IN FULL AND FINAL SETTLEMENT OF THE CLAIM.

The complaint was PARTLY ALLOWED on Ex-gratia basis.

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## **SYNOPSIS**

**AWARD No: IO (CHN) L- 102 / 2013-14 Dtd 26.2.14**

**Complaint No. IO (CHN)/21.04.2828 / 2013-14**

**Smt. P.Rani Vs. LIC of India, Madurai Division**

The complainant's husband, Sri.M.Sureshkumar, had taken a LIC's New Bima Gold policy bearing number 745854999 for a Sum assured of Rs.5,00,000/- for a term of 16 years with date of commencement as 10/06/2009 under yearly mode with a premium of Rs. 30,119/- from Madurai Division of LIC of India. The above life assured died on 15/11/2009 within a period of 5 months 5 days from the date of commencement of the policy.

The complainant, Smt. P.Rani, nominee under the policy preferred a claim for the policy money with the Insurer. The Insurer had repudiated the claim on 29/03/2011 on the grounds that (a) the life assured was not maintaining good health at the time of effecting the insurance (b) as per employer certificate received from TNSTC, Madurai, the deceased life assured had availed leave on sick grounds for 23 days from 25/03/2009 to 15/04/2009, which is prior to proposal. (d) the life assured had not disclosed the above facts at the time of proposing his life for insurance..

A personal hearing of both the parties was held on 19/02/2014. During the hearing, both the parties to the dispute presented their versions.

The employer vide their letter dated 20/01/2011 has furnished the following break-up figures for the sick leave availed by the DLA during the period 13/12/2007 to 14/11/2009 :- 16/08/2008. 1 day; 25/03/2009 to 15/04/2009 .. 22 days .Copies of medical certificates not produced. Nature of illness for which the sick leave was availed is also not known. In the Zonal Office repudiation office note, it is mentioned that Establishment Dept. ,TNSTC Ltd. Head Office has conveyed that the copies of leave records have been destroyed as done usually after Audit. . In his review note, R.M.(Legal) has mentioned as follows"- Repudiation for suppression of SL from 25/03/2009 to 15/04/2009 ...Evidence- Claim form E states that the DLA has availed SL of 23 days during the period 13/12/2207 to 14/11/2009... But the medical certificate is not available... Affidavit to be obtained from the doctor for disease and treatment . ...Sustainable."

It can be seen from the above, the DLA had availed Sick leave for 23 days during the period 13/12/2007 to 14/11/2009 which is prior to the proposal date 02/06/2009. The complainant contended that her husband did not undergo any medical treatment prior to his death and had availed medical leave for 23 days from 25/03/2009 to 15/04/2009 for fever. The complainant has produced a copy of the lab. report dated 10/03/2009 pertaining to Mr. Suresh Kumar issued by Meena Medical Laboratory , Melur. The

complainant has stated vide her letter dated 21/02/2014 that her husband got the employment under " Sports Quota". She has submitted various certificates/awards received by her husband for having participated in various athletic meets. This point was also not mentioned in her representation letter sent to the Insurer.

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The proposal is printed in Tamil language whereas the proposer/ the life assured has answered the questions in the proposal form in English. Vernacular declaration has not been obtained. In the confidential report/ moral hazard report dated 02/06/2009, the intermediary at the point of sale has mentioned that he knew the life proposed for 1 year. The policy was completed under medical scheme. In the medical report dated 02/06/2009 (submitted at the inception of the policy) , no adverse findings were observed by the authorised medical examiner of the Insurer. The complainant has contended that her husband was given employment under sports quota and he had received many certificates /awards for his participation in various athletic meets, which, she says, speak of his good health. She has submitted the certificates in support of her contention. The Insurer has not submitted copies of medical certificates for the sick leave availed by the DLA to support their contention that the DLA was not maintaining good health prior to proposal. The claimant's own admission that her husband had fever during the said period could not be ignored. The insurer has not obtained the Affidavit from the doctor for the disease and treatment taken by the DLA during the period 25/03/2009 to 15/04/2009, as suggested by R.M. (Legal) . The Lab. Report dated 10.03.2009 speaks of the "good Health" of the DLA in March 2009, though the genuiness of the certificate could not be proved."

**The Insurer was directed to pay an ex-gratia of Rs.50,000/- (Rupees Fifty Thousand Only) in full and final settlement of the claim under the above policy.**

**The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.**

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**Chennai**

**AWARD No: IO (CHN) L-104 / 2013-14 Dtd 28.2.14**

**Complaint No. IO (CHN) / 21.01.2823 /2013-14**

**Smt. Smt. S.Mallika Vs LIC of India, Chennai DOI**

The complainant's husband, Sri V.Shanmugam, had taken a LIC's Jeevan A nand policy bearing no 705123654 for a sum assured of Rs 2,00,000/- with date of commencement as 28/12/2010 for a premium paying term of 15 years under half-yearly mode with a premium of Rs 9589/- from LIC of India ,Chennai DO I. The life assured died on 13/06/2011 within 5 months 15 days from the date of commencement of the policy.

The complainant, Smt. S.Mallika, nominee under the policy, preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim vide their letter dated 23/06/2012 on the grounds that the life assured that (a) the life assured, before he proposed for the above policy, was a known case of CKD/CAD/Arterolateral Ischemia & SHT (b) the life assured was also in haemodialysis prior to the date of proposal.(c) the life assured did not disclose these facts in his proposal .

A personal hearing of both the parties was held on 19/02/2014. The complainant was represented by her son. During the hearing, the representatives of both the complainant and the Insurer presented their versions.

In the discharge summary dated 26/05/2011 (date of admission- 16/05/2011) issued by Narayana Hrudayalaya Hospitals, Bangalore, under the heading " Previous history ", it is mentioned as " Known case of hypertension, chronic kidney disease/anemia, history of smoking +, h/o old MI , chronic h/o Polyarthriti s ? . ". Under the heading "Course in the hospital", it is stated as "...This patient, known case of hypertension, chronic kidney disease, anemia, diagnosed and half thrombolysed for AWMi with Tenectaplastase was referred for further treatment..." The death summary dated 13/06/2011 issued by Narayana Hrudayalaya Hospitals, Bangalore, Certificate dated 26/05/2011 issued by Dr.A.G.Ravi Kishore, Narayana Hrudayalaya Hospitals, Bangalore, the certificate dated 16/05/2011 issued by Dr.N.S.Chandrasekar Pranav Hospitals, Salem, the Medical Attendant's certificate dated 15/07/2011 , the Certificate of Hospital Treatment dated Nil issued by Narayana Hrudayalaya Hospitals, Bangalore confirms the same position..

As per the available records, it is clear that the DLA was a known case of hypertension, chronic kidney disease, anemia, CHD. Though the duration of the said ailments have not been mentioned, the ailments like chronic kidney disease and CHD could not have developed within a short span of six months prior to the death of the life assured. It would have taken much more time to develop to that stage. It is clear that the DLA was not keeping good health at the time of proposing his life for insurance.

The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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**SYNOPSIS**

**AWARD No: IO (CHN) L- 105 /2013-14Dtd 28.2.14**

**Complaint No. IO (CHN) /21.05.2824 / 2013-14**

**Ms.S.Logeswari Vs. LIC of India, Salem Division**

The complainant's mother, Smt.K.Thenmozhi, had taken the following four policies viz. 702970484, 702970485, 702970538 & 702970564 with date of commencement as 13/07/2009, 13/07/2009, 27/08/2009 & 9/9/2009 respectively from LIC of India, Salem Division. The above policies were revived on 10/11/2010 .The above life assured died on 17/09/2011 within a period of 2 years 2 months 4 days, 2 years 2 months 4 days, 2 years 20 days and 2years 8 days from the commencement of the policies under policy numbers 702970484, 702970485, 702970538 & 702970564 respectively and within a period of 10 months 7 days from the date of revival under all the four policies.

The complainant, Ms.S.Logeswari, nominee under the above policies preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on 30/03/2013 on the grounds that the life assured (a) before the date of proposal, was suffering from Diabetes Mellitus for which she had treatment from the hospital (b) had availed sick leave of longer duration in 4 spells before the date of proposal and (c) did not disclose these facts in her proposal.

A personal hearing of both the parties was held on 19/02/2014. During the hearing, both the parties to the dispute presented their versions.

In the out-patient medical book issued by Government Hospital, P.Velur, (Registration no. 1150) on 04/01/2009, among other medicines, "Daonil" tablet stands prescribed for diabetes mellitus for the above life assured. In the copy of the service register of the DLA, it is stated that DLA was sanctioned 25 days leave on loss of pay ( from 10/11/2008 to 04/12/2008 ), 28 days leave on loss of pay( from 03/02/2009 to 02/03/2009), 29 days leave on loss of pay (from 03/03/2009 to 31/03/2009) on the basis of medical certificates. Copy of the medical Certificate for the leave period 10/11/2008 to

04/12/2008 stands produced by the Insurer. In the said certificate it is mentioned that the DLA was suffering from enteric fever. Copies of medical certificates for the remaining period were not produced by the Insurer. In the Claim Enquiry Report dated 31/03/2013, the investigating officer has mentioned that the life assured was undergoing treatment for diabetes and blood pressure problems with effect from 04/01/2009. The Insurer has produced a copy of the letter addressed by Sr.G.Shanmugam ( husband of the life assured) to the Insurer, wherein he has stated that his wife was taken to Govt. Hospital, P.Velur, on 04/01/2009 for treatment ( reg. no. 1150 / 04/01/2009 / Thenmozhi) where she was prescribed Dionil tablets, Compose tablets, Med formin tablets and two more medicines. He has further said that the DLA was treated as out-patient in the same hospital with the same registration no. 1150 on 08/01/2009, 13/01/2009, 03/02/2009, 11/02/2009, 21/02/2009, 10/03/2009, 14/03/2009, 24/03/2009, 27/03/2009. He has also said that treatment details were noted in a separate small note-book with date-wise and that he has enclosed Photostat copies of the same.

From the records submitted by the Insurer, it is clear that DLA was not maintaining good health prior to proposal. Pre-proposal illness and its non-disclosure have been clearly established.

The Insurer has mentioned in their self-contained that all the four policies were revived on 10/11/2010 with medical report dated 08/11/2010. The Insurer has mentioned in their e-mail dated 18/02/2014 that revival papers for the revival effected on 10/11/2010 are not available with them. However, a copy of the medical report dated 08/11/2010 submitted at the time of revival of the policies was made available to this Forum by the complainant.

In the medical report dated 08/11/2010, the authorised medical examiner of the Insurer has clearly answered as " Yes. Healthy" to the question no.15 in the medical report which reads as " On examination whether he/ she appears mentally and physically healthy." No adverse findings were observed by the medical examiner in the report. The agents who have introduced the above policies have mentioned in their (Agent's confidential –cum-moral hazard report" submitted at the inception of the policies that they knew the life proposed for the past 1 year. The concerned agents have not brought out in their reports the true picture of the health condition of the life assured prevailing then. The Insurer has called for explanation from the concerned agents as per the copies of letters made available to this Forum. The representative of the Insurer could not confirm whether they have received any reply from the agents and any subsequent follow-up was done in this regard. The representative of the Insurer confirmed during the hearing that no explanation was called for from the concerned medical examiner since revival papers including the medical report is not available with them.

The Insurer was directed to pay an EXGRATIA amount of Rs.20,000/- (Rupees Twenty Thousand only) to be paid to the complainant by the Insurer in full and final settlement of the claim under all the four policies put together.

The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.

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## **SYNOPSIS**

**AWARD No: IO (CHN) L- 106 /2013-14 Dtd 28.2.14**

**Complaint No. IO (CHN) /21.03.2855 / 2013-14**

**Smt. C.Bharathi Vs LIC of India, Coimbatore DO**

The complainant's husband, Sri.S.Chandrasekaran, had taken LIC's Jeevan Saral Policy bearing number 763136053 for a death benefit sum assured of Rs.1,50,000/- with date of commencement as 28/06/2010 and another Jeevan Saral Policy bearing number 763136054 for a death benefit sum assured of Rs.1,50,000/- with date of commencement as 28/06/2010. The above life assured died on 07/05/2012 within a period of 1 year 10 months 9 days from the commencement of both the policies. Smt.Bharathi ( wife of the life assured) is the nominee under policy no. 763136053 and Sri.Pavish ( minor son- age at inception of policy-11years ) is the nominee under policy no. 763136054 with Smt.Lakshmi Ammal (grand-mother of the nominee) as the appointee.

The complainant, Smt. C.Bharathi, nominee under policy no. 763136053 preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on 30/03/2013 on the grounds that the life assured had (a) two years before he proposed for the above policy, had suffered from Ischaemic heart disease, Diabetes & Blood Pressure , for which he had consulted medical men and had taken treatment at Kumaran Hospital, Coimbatore and (b) did not disclose these facts in his proposal..

A personal hearing of both the parties was held on 20.02.2014. During the hearing, both the parties to the dispute presented their versions.

The Insurer has produced a copy of the prescription dated 14/04/2008 issued by Dr.V.Palanisamy, Consultant Cardiologist, R.S.Puram, Coimbatore wherein the name of the patient is mentioned as " Chandrasekar, Driver, CTC,MTP.I The ailment of the patient then is stated as IHD Dyfunction, SHT..".Four medicines stand prescribed. In her letter dated 27/03/2013 addressed to the Insurer , the complainant has stated that her husband had taken treatment for IHD, Diabetes and B.P. at Kumaran Hospital. She has added further that she is unable to produce the relevant hospital records since the hospital authorities have informed her that records of more than 4 years are not maintained by them. In her letter dated 04/01/2014 addressed to this Forum, the complainant has said that her husband had gone to Kumaran Hospital, for medical test in the year 1998 and he was prescribed some medicines. She has added that a copy of the said prescription was sent along with claim forms. She has also lamented that the insurer has repudiated the claim taking the year of treatment as 2008 instead of 1998. The life assured had availed 10 spells of sick leave and NQS ( more than 6 days) during the period 01/2008 to 06/2010 as per the employer's certificate.

Nature of illness has not been furnished. Copies of medical certificates were also not produced. In the Claim Enquiry Report dated 10/12/2012, the Investigating Officer has mentioned that the deceased was treated in Kumaran Hospital, R.S.Puram, Coimbatore for diabetes and blood pressure 5 years before his death. Records are not available..."The complainant has stated in her letter that she herself has produced the prescription dated 14/04/2008 to the Insurer for the treatment taken by her husband for IHD, DIABETES & HT. In her letter dated 04/01/2014, she has also admitted that her husband had gone to Kumaran Hospital, for medical test in the year 1998 and he was prescribed some medicines. The possibility of the DLA having not maintained good health prior to the date of proposal could not be ruled out. -

The agent who have introduced the above policy has mentioned in his Agent's confidential -cum- moral hazard report" submitted at the inception of the policy that he knew the life proposed for the 6 months.. The concerned agent has not brought out in his report the exact health condition of the life assured existing then. The Hospital Authorities have mentioned that no records are available with them for the treatment said to have been taken by the DLA prior to the proposal. The policy has been called in question after 2 years 9 months from the commencement of the policy thereby attracting section 45 of the Insurance Act 1938. The Insurer has to conclusively prove that the life assured was not maintaining good health prior to proposal

The Insurer was directed to pay an EXGRATIA amount of Rs.10,000/- (Rupees Ten Thousand only) to the complainant by the Insurer in full and final settlement of the claim under the above policy.

The complaint was PARTLY ALLOWED ON EX-GRATIA BASIS.

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#### SYNOPSIS

AWARD No: IO (CHN) L 108 / 2013-14 Dtd 13.3.14

Complaint No. IO (CHN)/21.03.2941/2013-14

Smt. P.Rajeswari Vs LIC of India, Coimbatore Division

The complainant's husband, Sri,M.Prabhakaran had taken a LIC's Jeevan Saral policy bearing number 766835593 for death benefit Sum assured of Rs.1,50,000/- for a term of 16 years with date of commencement as 08/02/2011 under quarterly mode with a premium of Rs. 1837/- from Coimbatore Division of LIC of India.. The above life assured died on 20/08/2011 within a period of 6 months 12 days from the date of commencement of the policy. The complainant, Smt. P.Rajeswari, nominee under the policy preferred a claim for the policy money with the Insurer. The Insurer had repudiated the claim on 30/03/2013 on the grounds that (a) more than three years before he proposed for the above policy, the life assured was admitted at Maruti



Hospital, Thennur, Trichy on 25/04/2007 where he was diagnosed to have right frontal astrocytoma- grade 2 (b) the life assured under-went a surgery of right frontal craniotomy and lobectomy on 27/04/2007 and was discharged on 27/04/2007 (c) the life assured did not disclose these facts in his proposal..

A personal hearing of the parties was held on 11/03/2014. The complainant was not present during the hearing. During the hearing, the representative of the insurer presented the Insurer's versions with regard to the above complaint.

In the Discharge Summary of Maruti Hospital, Tennur, Trichy dated 08/05/2007 (Date of admission – 25/04/2007; date of operation- 27/04/2007)), diagnosis arrived at in the hospital is shown as “ Right Frontal Astrocytoma- Grade 2”. Under the heading “Surgery”, it is stated as “Right Frontal Craniotomy and Lobectomy. On 27/04/2007, under general anesthesia, through a bicoronal scalp flap a 4 burr-holed free right frontal bone flap was raised. The mucosa of the frontal air sinus was not opened. ...The brain was highly swollen...The tumour was not visible on the surface... “. In the Certificate of Hospital Treatment , other diseases preceded or co-existed with the ailment at the time of patient's admission in the hospital is stated as “Right Frontal Astrocytoma – Grade II”.. It is also mentioned that the above ailment was first observed by the patient on 15/04/2007. It is also said that the patient was admitted in the hospital on 25/04/2007 for the treatment of Right Frontal Astrocytoma – Grade II. In the Certificate by Employer dated Nil, it is mentioned that the DLA had availed leave on medical grounds on 16/04/2007 to 30/04/2007 and 27/06/2007 to 04/07/2007 prior to the date of proposal . In Claim Enquiry report dated 06/01/2013, the investigating officer has stated that treatment was taken by the DLA from 25/04/2007 to 08/05/2007 at Maruti Hospital, Trichy. From the records submitted by the Insurer, pre-proposal illness of the DLA is clearly established. The Insurer's decision to repudiate the claim is fully justified. The complaint WAS DISMISSED.

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#### **SYNOPSIS**

**AWARD No: IO (CHN) / L- 109 /2013-14 Dtd 14.3.14**  
**Complaint No. IO (CHN)/21.03.2910 /2013-14**  
**Smt H.Pushpakala Vs LIC of India, Coimbatore Division**

The complainant's husband Sri. B.Rajendran had taken LIC's Jeevan Anand policy bearing number 765985294 for a Sum assured of Rs.1,00,000/- with date of commencement as 17/12/2008 - and a LIC's Jeevan Tarang policy bearing number 766320821 for a Sum assured of Rs.1,00,000/- with date of commencement as 18/05/2010 from Coimbatore Division of LIC of India. These two policies were revived on 16/07/2012 on the strength of personal statement regarding health (D.G.H.) dated 15/07/2012. The above life assured died on 06/08/2012 within a period of 20 days from the date of revival. The complainant, Smt H.Pushpakala, nominee under the policies

preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on 17/02/2013 on the grounds that (a) before reviving the policies, the life assured had suffered from jaundice & had consulted Dr.Sugumar, Ooty on 26/02/2012; Met India Hospital , Coimbatore on 04/07/2012 and Gem Hospital, Coimbatore, from 10/07/2012 to 18/07/2012 and (b) the life assured did not disclose these facts in the D.G.H. given at the time of revival. Under policy number 765985294, the insurer has stated that that they would entertain the claim for the paid- up value of the policy viz. Rs. 15,000/- and the vested bonus of Rs.12,500/- which were secured by the policy before the date of lapse.

A personal hearing of both the parties was held on 11/03/2014. During the hearing, both the parties to the dispute presented their versions with regard to the above complaint.

In the discharge summary dated 18/07/2012 issued by Gem Hospital & Research Centre Pvt. Ltd., Coimbatore ( date of admission-10/07/2012) under the heading " Diagnosis", it is stated as " ALD/PHT/Steatohepatitis Coagulopathy/ Mild renal failure- recovered". Under the heading" Complaints", it is stated as " This 42 year old male came with complaints of high coloured urine, decreased appetite, decreased urine out-put, chronic alcoholic for 2 weeks, h/o CAM intake, known case of ALD and treated outside in local hospital. No previous surgery." In the claimant's statement dated 26/09/2012 ,the complainant herself has stated that her husband had taken treatment on 26/06/2012, 4/7/2012 & 10/07/2012 for jaundice.

On the date of revival, the DLA was in the hospital taking treatment, date of admission in the hospital being 10/07/2012. Pre-revival illness and its non-disclosure in the D.G.H. dated 15/07/2012 have been clearly established.

The agent who has introduced the policies has also witnessed both the D.G.H dated 15/07/2012 submitted at the time of revival of the policies. It is strange to note that he had not gone through the answers furnished by the life assured in the said D.G.H. The fact of the life assured taking treatment in a hospital on the day of revival was totally suppressed by the agent who has witnessed the D.G.H. The agent has deliberately misled not only the insurer in reviving the policies but also the life assured by not guiding him properly for disclosing material facts thereby putting both to pecuniary loss. As per the Regulations 3(2) & 3 (3) of PPI 2002, the agent was duty bound to guide the life assured. The Insurer has mentioned in the repudiation letter issued to the claimant under policy no.766320821 that revival of the policy is declared void and all moneys paid towards revival of the policy and subsequent thereto belong to them. The said repudiation letter is silent about forfeiture / refund of premiums paid before the revival of the policy or payment of paid-up value secured by the policy on the date of lapse , if any. The Insurer is expected to specifically mention forfeiture or otherwise of the premiums paid before the date of revival in the repudiation letter.

The Insurer was directed to pay an EXGRATIA amount of Rs.10,000/- (Rupees Ten Thousand only) to the complainant IN FULL AND FINAL SETTLEMENT OF THE CLAIM

under both the policies put together. This is in addition to the Insurer's offer of payment of Rs. 27,500/- under Policy No. 765985294 .

The complaint was PARTLY ALLOWED on EXGRATIA basis.

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Chennai

**AWARD No: IO (CHN) L- 110 / 2013-14 Dtd 24.3.14**

**Complaint No. IO (CHN) / 21.04. 2923 /2013-14**

**Smt. A.Vasuki Vs LIC of India, Madurai Division**

The complainant's husband, Sri.P.Pandiyaraj, had taken a LIC's Jeevan Saral policy bearing no. 746442172 with date of commencement as 28/10/2010 for a death benefit sum assured of Rs. 2,50,000/- from LIC of India, Madurai Division. . The above life assured died on 30/01/2012 within a period of 1 year 3 months 2 days from the date of commencement of the policy..

The complainant, Smt. A.Vasuki, nominee under the above policy, preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim vide their letter dated 18/12/2012 on the grounds that (a)the life assured was not maintaining good health at the time of effecting the insurance (b) as per Apollo Hospital Medical Check-up Report dated 31/12/2011, the deceased life assured had been a chronic alcoholic for 18 years and was treated for cirrhosis of liver since 6 months and history of Grade II Oesophagial varies, which is prior to proposal and .( c) the life assured had not disclosed the above facts at the time of proposing his life for insurance.

A personal hearing was held on 11/03/2014. The complainant was not present during the hearing. However, the authorized representative of the complainant (who alleged himself to be a distant relative) was found to be a friend only. The representative of the complainant is not conversant with various facts of the case. The representative of the Insurer presented the Insurer's versions with regard to the above complaint.

In the Medical attendant's certificate dated 12/05/2012 completed by Dr.M.Suresh, Alangulam , primary cause of death is sated as " Cirrhosis of liver/ massive Ascites" and secondary cause of death is mentioned as " Portal hypertension". In the Medical check-up report (medical summary) dated 31/12/2011 issued by Apollo Speciality Hospitals, Madurai, under the heading " Present known illness", it is stated as " ..cirrhosis liver treated since 6 months. / chronic alcoholic for 18 years/ H/o Grade II Oesophagial Varices". Under the heading "Personal History", it is noted as "Alcohol- Stopped". Under the heading "Physical Examination- surgical findings", it is mentioned as " Known case of cirrhosis of liver / Massive Ascites+". Under the heading "Impression", it is noted as " ...IGT, Known case of Cirrhosis of liver".

In the Medical check-up report (medical summary) dated 31/12/2011 of Apollo Speciality Hospitals, Madurai it is clearly stated that the DLA was a chronic alcoholic for 18 years. In the medical records, cause of death is stated as cirrhosis

of liver (among other ailments) and treatment was taken for the same prior to death. Death of the life assured has occurred within 1 year 3 months 2 days from the commencement of the policy. The ailment of cirrhosis of liver would not have developed within a short span of 1 year 3 months 2 days. It takes longer time to develop into Grade II ailments.

Pre-proposal illness of the DLA could not be ruled out. The DLA had suppressed this material information regarding his alcoholic habit in his proposal for assurance submitted for the above policy. The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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**AWARD No: IO (CHN) L- 111 / 2013-14 Dtd 24.3.14**

**Complaint No. IO (CHN) / 21.002. 2931 /2013-14**

**Smt.Anandamathy & Smt.Tamilarasi Vs SBI Life Insurance Company Ltd**

Mother of the complainants, Smt.A.Manimegalai, had taken a SBI Life –Shubh Nivesh ( with-profit endowment assurance plan) policy bearing no. 35030591310 with date of commencement as 11/12/2012 for a sum assured of Rs. 1,00,000/- from SBI Life Insurance Company Limited. The above life assured died on 19/6/2013 within a period of 6 months 8 days from the date of commencement of the policy..

The complainants, Smt.Anandamathy & Smt.Tamilarasi , nominees under the above policy, preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim vide their letter dated 18/10/2013 on the grounds that the life assured was suffering from breast cancer prior to the date of commencement of the policy and the claim is repudiated for non disclosure of material facts.

A personal hearing of both the parties was held on 11/03/2014. During the hearing, both the parties to the dispute presented their versions.

In the discharge summary dated 19/08/2011 issued by Chennai Meenakshi Multi Speciality Hospital Ltd., Chennai, ( date of admission- 15/08/2011, date of surgery- 17/08/2011) under the heading "Diagnosis", it is mentioned as " Carcinoma left breast". It is also stated that the surgery of modified radical mastectomy left was done on 17/08/2011. In the Medical Attendant's certificate dated 27/07/2013 completed by Dr.V.Srinivasan, Dr. Kamakshi Memorial Hospital PVT.Ltd., Chennai, primary cause of death is stated as Septic Shock and secondary cause of death is stated as multi organ dysfunction /metastatic breast cancer. Duration of illness is noted as 1 year. It is also mentioned that the life assured suffered from " Carcinoma breast with liver metastasis." The complainant also

admitted during the hearing that her mother under-went the surgery of modified radical mastectomy left on 17/08/2011.

Pre-proposal illness of the DLA and its non-disclosure have been clearly established from records submitted by the insurer.. The DLA had suppressed the material information regarding her health in the proposal form submitted at the time of effecting the insurance.

The Insurer's decision to repudiate the claim is fully justified.

The complaint was DISMISSED.

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#### SYNOPSIS

AWARD No: IO (CHN) L -113 /2013-14 DTd 26.3.14

Complaint No. IO (CHN)/21.05.2974/2013-14

Smt R.Santhanalakshmi Vs LIC of India, Salem Division

The complainant's husband, Sri.J.Thanigaivelan, had taken a LIC's Jeevan Anand policy bearing number 704085890 for a sum assured of Rs.2,00,000/- with date of commencement as 28/12/2009 ( proposal dated 06/01/2010) from Salem Division of LIC of India. The life assured died on 15/02/2012 within a period of 02 years 01 month 17 days from the date of commencement of the policy.

The complainant, Smt R.Santhanalakshmi, nominee under the policy preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim on 04/11/2013 on the grounds that (a) the deceased life assured was suffering from Diabetes Mellitus and had availed leave on medical grounds from 21/07/2008 to 18/08/2008,- 29 days, 07/01/2009 to 18/01/2009- 12 days, 20/01/2009 to 17/02/2009 - 29 days, 13/03/2009 to 20/03/2009 -8 days &, 22/06/2009 to 05/07/2009- 14 days.( b) the life assured had been on medical leave from 07/01/2009 to 18/01/2009 for 12 days & 20/01/2009 to 17/02/2009 for 29 days due to diabetes.(c) the life assured had not disclosed the said facts

A personal hearing of both the parties was held on 24/03/2014. During the hearing,, both the parties to the dispute presented their versions.

The following leave particulars of the DLA were furnished by the Asst. Elementary Educational Officer, Dharmapuri in his certificate dated 02/04/2013:- ( leave availed on medical grounds for more than a week during the period 13/02/2007 to the date of proposal)

Leave period	No. of days leave availed	Reasons
21/07/2008 to 18/08/2008	29 days	Viral fever, cold
07/01/2009 to 18/01/2009	12 days	Diabetes
20/01/2009 to 17/02/2009	29 days	Diabetes

13/03/2009 to 20/03/2009	8 days	Stomach pain
22/06/2009 to 05/07/2009	14 days	Viral fever, cold, cough

**Copies of medical certificates were not made available.**

**The complainant has admitted that the ailment of diabetes mellitus detected in the year 2009 is of initial stage only. She has also admitted that the leave availed during the period 21/07/2008- 18/08/2008, 13/03/2009 to 20/03/2009 & 22/06/2009 to 05/07/2009 was only for personal /domestic work even though medical certificates were submitted to the employer.**

**From the records submitted by the insurer, pre-proposal illness of the DLA could not be ruled out.**

**The policy has been called in question after 3years 10 months 6 days from the commencement of the policy thereby attracting Section 45 of the Insurance Act 1938.. The Insurer has not produced the medical certificates for the leave period (other than the leave records) to substantiate that the life assured was suffering from diabetes mellitus prior to the date of proposal. The Insurer has not produced any treatment records for the treatment taken by the DLA for diabetes mellitus. No adverse observations were noted by the investigating officer in his claim enquiry report dated 10/08/2012. The complainant has admitted that the ailment of diabetes mellitus detected in the year 2009 is of initial stage only. She has also admitted that the leave availed during the period 21/07/2008- 18/08/2008, 13/03/2009 to 20/03/2009 & 22/06/2009 to 05/07/2009 was only for personal /domestic work even though medical certificates were submitted to the employer. In the Agent's confidential cum moral hazard report dated 06/01/2010, the agent has stated that he knew the life proposed for 20 years. The Insurer confirmed during the hearing that they have not received any reply from the agent from whom they have called for an explanation on 06/11/2013.**

**In view of the points discussed supra, some relief may be provided to the complainant on ex-gratia basis.**

**The Insurer was directed to pay an EXGRATIA amount of Rs.30,000/- (Rupees Thirty Thousand only) IN FULL AND FINAL SETTLEMENT OF THE CLAIM under the above policy.**

**The complaint was PARTLY ALLOWED on Ex-gratia basis**

## **SYNOPSIS**

**AWARD No: IO (CHN) L –114 /2013-14 Dtd 26.3.14**

**Complaint No. IO (CHN)/21.08.2942/2013-14**

**Sri. R.Loganathan Vs LIC of India, Vellore Division**

The complainant's wife, Smt.L.Suganthi, had taken a LIC's Jeevan Saral policy bearing number 735753157 for a death benefit sum assured of Rs1,00,000/- with date of commencement as 09/02/2011 from Vellore Division of LIC of India. The above life assured died on 12/09/2012 within a period of 01 years 07 months 3 days from the date of commencement of the policy.

The complainant, Sri. R.Loganathan, nominee under the policy preferred a claim for the policy money with the Insurer. The Insurer has repudiated the claim on 28/09/2013 on the grounds that the life assured, before she proposed for the above policy, had suffered from tuberculosis for which she had consulted a medical man and had taken treatment from him in a hospital and the life assured did not disclose these facts in her proposal.

A personal hearing of both the parties was held on 24/03/2014. During the hearing, both the parties to the dispute presented their versions.

As per Certificate of hospital treatment dated 07/07/2013 issued by Dr.A.Govindasamy, Thimiri, date of admission in the hospital is 07/06/2009. Nature of complaint and duration of the complaint at the time of admission was stated as cough with expectoration- 1 month & fever -15 days . Diagnosis arrived at in the hospital is stated as Pulmonary Tuberculosis. As per Certificate of treatment dated 07/07/2013 completed by Dr.A.Govindasamy, Thimiri, diagnosis arrived at by him is Pulmonary Tuberculosis. Date of the life assured's first consultation with him is stated as 07/06/2009 and the treatment commenced by him from 10/06/2009. In the Claim Enquiry Report dated 27/07/2013, the investigating officer has mentioned as "Pre-proposal illness cannot be ruled out . Taken treatment in the 2009. Prescription enclosed. "Prescription dated 10/06/2009 issued by Dr.A.Govindasamy, Thimiri, is made available to this Forum.

Pre-proposal illness of the DLA and its non-disclosure have been clearly proved from the records submitted by the insurer. The Insurer's decision in repudiating the claim is fully justified.

**The complaint was DISMISSED.**

## **SYNOPSIS**

**AWARD No: IO (CHN) L -115 /2013-14 Dtd 26.3.14**

**Complaint No. IO (CHN)/21.05.2979/2013-14**

**Smt E.Gomathi Vs LIC of India, Salem Division**

The complainant's husband, Sri. R.Elangovan, had taken a LIC's Jeevan Anand policy bearing number 704273422 for a sum assured of Rs.10,00,000/- with date of commencement as 28/06/2009 ( proposal dated 21/07/2009) from Salem Division of LIC of India. The life assured died on 03/03/2012 within a period of 02 years 08 month 05 days from the date of commencement of the policy. he complainant, Smt E.Gomathi, appointee under the policy (Nominee- Minor daughter- E.Gobika; age-3 at the inception of the policy) preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim on 17/12/2012 on the grounds that the deceased life assured was a chronic alcoholic and a chronic smoker, before he proposed for the above policy and these facts were not disclosed in his proposal. .A personal hearing of both the parties was held on 24/03/2014. During the hearing,, both the parties to the dispute presented their versions.

As per the Medical Attendant's Certificate dated 07/07/2012 completed by Dr.A.Mohanakrishnan, PSG Hospitals, Coimbatore, primary cause of death is severe acute necrotizing pancreatitis and secondary cause of death is sepsis syndrome with multi organ dysfunction. Other diseases or illness preceded or co-existed with that which immediately caused the death of the life assured is recorded as severe acute pancreatitis, acute lung injury, acute kidney injury. To the question" Have you any reason to suppose or to suspect that disease was in his case caused or aggravated by in temperate habits". The doctor has given the reply as " Alcohol". In the discharge summary dated 27/02/2012 (date of admission- 25/02/2012) issued by Dharan Hospital , Salem, diagnosis arrived at is shown as " Acute Pancreatitis/ SHT."Under the heading " Past History", it is stated as " ...Known case of oesopagitis & Duodenal Erosion, Known SHT past 2 years, on treatment, known alcoholic & smoker. In the Progress Notes of PSG Hospitals, Coimbatore, under the heading " Past h/o ", it is recorded as " H/o hypertension - recently diagnosed". Under the heading " Personal h/o ", it is shown as " H/o smoking , alcohol - 15 years. Smoking 2 pockets per day, consumes alcohol 360 ml per day." In the case sheet dated 27/02/2012, it is stated that the patient is a chronic smoker/alcoholic. The doctor has mentioned in claim form B that the habit of alcohol has aggravated. In the certificate dated 04/01/2013 issued by Dharan Hospital, Salem, ( produced by the complainant ) it is mentioned as" This is to certify that Mr.R.Elangovan aged 40 years /M was having SHT for past 2 years. He gave a history of alcohol & smoking only on 25/02/2012. But, on the previous admission, he did not give h/o alcohol & smoking and his complaints during that admission were not due to alcohol



and smoking..But the final admission which was on 25/02/2012 for acute pancreatitis with SHT which could be due to alcohol. But the pancreatitis can occur without h/o alcohol & smoking.

The policy was completed under medical scheme. In the medical examiner's confidential report dated 21/07/2009 submitted at the inception of the policy , the authorised medical examiner of the insurer has answered the question no. 15" On examination whether he/she appears mentally and physically healthy" as "Yes." No adverse findings were observed in the medical report by the medical examiner. On being questioned by L.I.C., the authorised medical examiner who has completed the medical report dated 21/07/2009 has stated in his letter dated 25/12/2012 addressed to the insurer that "My observation regarding the death claim on policy no.. 704273422 of Sri. R.Elangovan (deceased). The period between the date of examination and the date of death of R.Elangovan (deceased) is about 2 years and 8 months. That he died on 03/03/2012 due to acute necrotizing pancreatitis. Acute means the duration of the above illness is within 3 months. He may be an occasional user of alcohol and smoking. But, he would have hidden the fact during my examination. There is no probability for the malfunction of acute necrotizing pancreatitis-at the time of my examination. I can confidentially say at the time of my examination he was in good health."

From the records submitted by the insurer ,the alcoholic habit and smoking habit of the life assured prior to the date of proposal could not be ruled out.. At the same time, the certificate dated 04/01/2013 issued by Dharan Hospital, Salem and the certificate dated 25/12/2012 issued by the authorised medical examiner of the insurer who has given his medical report at the inception of the policy could not be ignored. The points discussed above leave scope for providing some relief to the complainant on ex-gratia basis.

The Insurer was directed to pay an EXGRATIA amount of Rs.1,50,000/- (Rupees one lakh fifty Thousand only) IN FULL AND FINAL SETTLEMENT OF THE CLAIM under the above policy.

The complaint was PARTLY ALLOWED on Ex-gratia basis

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## CHENNAI

### SYNOPSIS

**AWARD No. IO (CHN) L -116 /2013-14 Dtd 26.3.14**

**Complaint No. IO (CHN)/21.05.3040/2013-14**

**Smt G.Sumathi Vs LIC of India, Salem Division**

The complainant's husband, Sri. P.Ganesan,, had taken the following policies from LIC of India, Salem Division .

Policy No.	D.O.C.	Sum Insured	Plan & term	Mode	Premium
703330359	25.01.2010	100000	149.20	Mly(SSS)	544.00
703330360	25.01.2010	100000	149.20	Mly(SSS)	544.00

The life assured died on 11/11/2010 within a period of 09 months 16 days from the date of commencement of both the policies..

The complainant, Smt G.Sumathi, nominee under both the policies preferred a claim for the policy monies with the Insurer. The Insurer repudiated the claim on 29/11/2012 on the grounds that (a) before the life assured proposed for the above policies, he was suffering from Bleeding Piles (Grade II) and Fissure Ano and had undergone surgery for the same (b) the life assured was an alcoholic (c) the life assured had also availed leave on sick grounds on many occasions prior to the above proposal for the treatment of Acid Peptic disease, acute gastritis, viral fever etc. (d) he was not well at the time of proposals.

A personal hearing was conducted on 24/03/2014. The complainant was not present during the hearing. During the hearing, the representative of the Insurer presented the Insurer's versions with regard to the above complaint.

In the discharge summary dated 07/02/2009 ( date of admission- 05/02/2009 issued by SPMH Hospital , Salem, diagnosis arrived at is shown as " Grade II Piles/ Fissure in ANO". Under the heading "Complaints on Reporting", it is stated as " Patient is a known case of Grade II Piles/Fissure in ANO admitted for surgical management." Under the heading " Course of treatment", it is stated as " on 05/02/2009, under SA Maximal Anal Dilation and open Hemorrhoidectomy done for Grade II Piles ar 3,7 & 11 'o clock position. Post-operatively , patient was.....". In the Claim Enquiry Report dated 28/08/2011, the investigating officer has stated that " .....the DLA had used alcohol and drugs regularly. He had consumed drinks for the last 10 years. So, he had been affected totally. On the prior date to death ie. 10/11/2010 , he had consumed lot of alcohol and dead at bed. So, the death occurred due to over consumption of alcohol. His wife, Smt. Sumathi, told this matter and refused to give written statement." As per claim form E, the DLA had availed

4 spells of long leave ( more than 6 days ) during the period 08/09/2008 to 28/10/2009 ( prior to proposal) totaling to 54 days.

From the records submitted by the insurer, pre-proposal illness of the DLA has been clearly established. The Insurer's decision in repudiating the claim under both the policies is fully justified..

The complaint was DISMISSED.

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#### **SYNOPSIS**

**AWARD No: IO (CHN) L -117 /2013-14 Dtd 26.3.14**

**Complaint No. IO (CHN)/21.08.3000/2013-14**

**Smt.G.Kanthamani Vs LIC of India, Vellore Division**

The complainant's husband, Sri.K.Ganesan, had taken a LIC's New Bima Gold policy bearing number 734797288 for a sum assured of Rs 1,00,000/- with date of commencement as 27/02/2008 from Vellore Division of LIC of India. The policy was revived on 17/09/2011 on the strength of Personal Statement Regarding Health (D.G.H.) dated 17/09/2011 by adjusting the premium dues 08/2010 to 08/2011. The life assured had paid subsequently the premium for the due 11/2011 on 28/11/2011. The life assured died on 07/05/2012 within a period of 07 months 20 days from the date of revival of the policy and 4 years 2 months 10 days from the commencement of the policy.

The complainant, Smt.G.Kanthamani, nominee under the policy preferred a claim for the policy money with the Insurer. The Insurer repudiated the claim on 10/04/2013 on the grounds that the life assured had withheld correct information from them regarding his health at the time of revival of the policy. The Insurer, after reconsideration of their earlier decision, has awarded an ex-gratia amount of Rs. 50,000/- inclusive of all benefits under the above policy which stands already paid vide cheque number 45392 dated 24/12/2013.

A personal hearing of both the parties was held on 24/03/2014. During the hearing, both the parties to the dispute presented their versions.

In the Certificate of hospital treatment dated 07/07/2012 completed by Dr.Vinoth, Asst. Professor, Pondicherry Institute of Medical Science, Puducherry,, diagnosis arrived at is shown as chronic liver disease with portal hypertension with massive upper GI bleed. Date of first admission in the hospital is shown as 08/02/2011 and date of discharge is noted as 03/03/2011. Nature of ailment for which treatment was given then is mentioned as alcohol dependence, ..., chronic liver disease, ..... As per the Certificate

by employer dated Nil issued by Deputy Block Development Officer( Scheme), Panchayat Union, Melmalayanur, the DLA had availed the 4 spells of long leave (more than 6 days) totaling to 103 days on medical grounds during the period 23/05/2006 to 23/04/2007. In the Claim Enquiry Report dated 26/02/2013, the investigating officer has mentioned that the deceased was suffering from liver disease from 02/2011. The complainant admitted during the hearing that her husband had the habit of drinking occasionally. She also admitted that her husband had taken treatment in a hospital before revival of the policy.

Pre-revival illness of the DLA and its non-disclosure have been clearly proved from the records submitted by the insurer.. The Insurer's decision to nullify the revival of the policy is fully justified. The Insurer's partial repudiation of the claim nullifying revival in the present case is justified..

**The complaint was DISMISSED.**

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#### **SYNOPSIS**

**AWARD No: IO (CHN) L- 118 /2013-14 DTd 26.3.14**

**Complaint No. IO (CHN) /21.08.3033 /2013-14**

**Sri S.Irudayaraj Vs LIC of India, Vellore Division**

The complainant's wife, Smt.S.Lourdumari, had taken a twenty year money back policy bearing number 732472417 for a Sum assured Rs.50,000/- with date of commencement as 28/06/2005 from Vellore Division of LIC of India. The policy was revived on 19/01/2013 by adjusting the premiums for the dues 06/2011 to 12/2012 on the strength of personal statement regarding health (D.G.H.) dated 19/01/2013. The life assured died on 08/03/2013 within a period of 1 month 19 days from the date of revival and 7 years 8 months 10 days from the date of commencement of the policy.

The complainant, Sri S.Irudayaraj, nominee under the above policy preferred the claim for the policy money with the Insurer. The Insurer repudiated the claim on 12/11/2013 on the grounds that the life assured had suffered from Carcinoma Ovary – Stage IV for which she took treatments in a hospital during the years 2009 & 2010 and she did not disclose these facts in her personal statement submitted towards revival of the policy. The Insurer has stated further that revival of the policy is void and all moneys paid towards revival of the policy and subsequent thereto belong to them. They have also mentioned that they entertain claim for paid-up value of the policy and the vested bonus plus refund of premiums paid on 19/01/2013 which were secured by the policy on the date of lapse subject to recovery of loan outstanding and loan interest ( if any). The Insurer has mentioned in their e-mail dated 24/03/2014 has that paid-up value of Rs. 3500/- and vested bonus of Rs. 11,600/- are available under the above policy. They have also mentioned that refund of premiums paid on 19/01/2013 ( at the revival of the policy) works out to Rs. 6824/-.( Total- Rs.21,624/-) .

A personal hearing of both the parties was held on 24/03/2014. During the hearing, both the parties to the dispute presented their versions.

In the Discharge Slip dated 07/12/2009 (date of admission- 05/12/2009) issued by Indira Gandhi Government General Hospital, Puducherry, diagnosis arrived at is noted as " Polycystic ovarian syndrome". In the Discharge Slip dated 09/01/2010 ( date of admission- 02/01/2010 ) issued by Government Maternity hospital, Puducherry, diagnosis arrived at is noted as " Ovarian Ca. Stage IV." In the Out-Patient Ticket dated 03/12/2010 issued by Government Maternity hospital, Puducherry, it is mentioned as "Case of malignant ovary tumour admitted at MHP for investigation and evaluation..." In claim form A (Claimant's statement) dated 31/08/2013 completed by the complainant, the complainant himself has noted that his wife had taken treatment on 02/12/2009, 05/12/2009, 06/11/2012 & 09/11/2012 for stomach problem, polycystic ovarian syndrome, Ca. ovary B/L ( in-operable) stage IV( Liver Mets) and Ca. ovary B/L ( inoperable) stage IV( Liver Mets) respectively. The complainant admitted during the hearing that his wife took treatment in a hospital in the year 2009. Medical Attendant's Certificate dated 18/06/2013 issued by Dr.P.Sidharthan, Certificate of hospital treatment dated Nil issued by Global Cancer Institute, Global Health City, Chennai also confirm the same position. Pre- revival illness and its non-disclosure have been clearly established from the records submitted by the insurer.

The Insurer's decision to partially repudiate the claim nullifying the revival in the present case is fully justified. However, the complainant may avail the Insurer's offer of paid-up value (Rs.3500/-) and the vested bonus ( Rs.11600/-) which were secured by the policy on the date of lapse plus refund of premiums ( Rs.6824/-) paid on 19/01/2013 subject to recovery of loan outstanding and loan interest ( if any).

The complaint was Dismissed.

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#### SYNOPSIS

AWARD No: IO (CHN) L- 119 /2013-14 Dtd 26.3.14

Complaint No. IO (CHN) /21.03.2988 /2013-14

Smt. Sudha Vs LIC of India, Coimbatore

The complainant's husband, Sri. A.Subramaniam, had taken the following four policies from LIC of India, Coimbatore:

Policy no.	763043925	763139458	763140543	763140823
D.O.C.	28/12/2008	15/05/2009	13/03/2010	30/04/2010
Sum Assured	50,000	1,00,000	2,00,000	1,25,000

The above life assured died on 27/06/2011 within a period of 2 years 5 months 29 days, 2 years 1 month 12 days, 1 year 3 months 14 days & 1 year 1 month 29 days from the date of commencement under policy numbers 763043925, 763139458, 763140543 & 763140823 respectively.

The complainant, Smt. Sudha, nominee under the above policies preferred the claim for the policy monies with the Insurer. The Insurer repudiated the claim on 30/03/2013 on the grounds that (a) the life assured had underwent a surgery for PDA closure in the year 1997 i.e. before he proposed for the above policies (b) the life assured was a chronic

alcoholic for many years (c) the life assured did not disclose these facts in his proposals. The Insurer, vide letter dated 27/11/2013, has informed the complainant that they have decided to consider payment of a sum of Rs. 75,000/- inclusive of all on ex-gratia.

A personal hearing was conducted on 24/03/2014. The complainant was not present during the hearing. During the hearing, the representative of the insurer presented the versions of the Insurer with regard to the above complaint.

In the Discharge summary dated 26/06/2011( date of admission- 18/06/2011) issued by Kovai Medical Centre and hospital limited, Coimbatore, final diagnosis arrived at is shown as " Old PDA closure/ Infective endocarditis/ septic shock." It is also stated that " Mr. Subramanian., 34 years old male was admitted with fever..... He is a known case of PDA closure 15 years ago. He is a chronic alcoholic.....Discharged against medical advice." In the Discharge summary dated 21/04/2011( date of admission- 16/04/2011) issued by Kovai Medical Centre and hospital limited, Coimbatore, final diagnosis arrived at is shown as " Alcohol withdrawal state old PDA closure (1997). In the history, it is stated as " Mr.Subramanian, 33 years old gentleman k/c/o PDA closure done in 1997, came to hospital with c/o shivering.... He is chronic alcoholic since many years..He stopped alcohol recently." In the Claim Enquiry Report dated 07/03/2012, the investigating officer has mentioned that " As per enquiry, the life assured was a regular alcoholic person for the past 10 years..".Pre- proposal illness of the DLA has been clearly established from the discharge summaries issued by Kovai Medical Centre and hospital limited, Coimbatore.

The Insurer's decision to repudiate the claim under all the four policies is fully justified. However, the complainant was advised to avail the insurer's offer of ex-gratia amount Rs.75,000/- under all the policies put together.

The complaint was Dismissed.

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**GUWAHATI**

**GUWAHATI OMBUDSMAN CENTRE**  
**Complaint No. GUW-L-046-1314-0033**

**Md. Dildar Hussain**

**- Vs -**

**Tata AIA Life Insurance Co. Ltd.**

**Date of Order : 27.12.2013**

**Complainant** : The Complainant stated that her brother Md. Furkan Ali procured Policy No. C220475716 from the Tata AIA Life Insurance Co. Ltd. with the date of commencement on 27.11.2008 for a Sum Assured of Rs.12,00,000/-. While the

policy was in force, her brother expired on 17.06.2012. Thereafter, she, being the nominee under the above policy, lodged a claim before the Insurer along with supporting documents. But, the Insurer has repudiated the claim. Being aggrieved, she has filed this complaint.

**Insurer** : The Insurer has stated in their "Self Contained Note" that they received the death claim papers from the nominee Md. Dildar Hussain under Policy No. C220475716 stating that the Insured Md. Furkan Ali died on 17.06.2012. After receiving the claim papers, they have checked their record and found that the premium due and payable by the Life Assured on 27.05.2011 was not paid by the Life Assured on time hence policy got lapsed. They sent premium payment notice on 27.04.2011 and lapsed notice was sent on 27.06.2011 to the LA to reinstate his policy and for payment of all outstanding premiums + interest & health certificate. However, in the month of February, 2012 i.e. after 8 months of policy lapsed, they received the premiums from the Life Assured without any health certificate and they wrote letter to the Life Assured to contact their Office but he did not respond. Due to non-submission of the said certificate they could not reinstate the policy. As the policy was in lapsed status they have declined the claim.

**Decision** : I have carefully gone through entire documents available on record as well as the statements of the parties. It appears from the copy of Premium Payment Notice dated 27.04.2011 that the Insured was asked to pay the premium of Rs.1281.00 due on 27.05.2011. Due to non-payment of said premium, the Insurer issued Lapsed Notice on 27.06.2011 and sent to the Insured requesting the Insured to pay the all outstanding premiums + interest and health certificate. Subsequently they received the premium amounts from the Insured. But, the Insured did not submit the health certificate for which they could not adjust the premium amounts. It is crystal clear from the above documents that the Insurer sent Premium Payment Notice and Lapsed Notice to the Insured in time for payment of outstanding premiums and reinstatement of the policy. But, the Insured did not take any initiative to reinstate the policy during his life time. It is clearly mentioned in Grace Period of policy terms and conditions that a Grace Period of thirty-one days from the due date will be allowed for payment of each subsequent premium. The policy will remain in force during the period. If any premium remains unpaid at the end of its Grace Period, the policy shall lapse and have no further value. It is also mentioned in Reinstatement that if a premium is in default beyond the Grace Period and subject to the policy not having been surrendered, it may be reinstated, at their absolute discretion, within five years after the due date of the premium in default subject to : (i) Insured written application for reinstatement; (ii) production of Insured's current health certificate and other evidence of insurability satisfactory to them; (iii) payment of all overdue premiums with interest; and (iv) repayment or reinstatement of any Indebtedness outstanding at the due date of the premium in default plus interest. As per terms and conditions of the policy, the Complainant is not entitled to get the benefits under the above policy.

Considering the entire facts and circumstances as discussed above, I am of the view that the Insurer has rightly repudiated the claim of the Complainant. Finding no ground to interfere with the decision of the Insurer, the complaint is dismissed and is treated as closed.

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**GUWAHATI OMBUDSMAN CENTRE**  
**Complaint No. 21/L003/0004/13-14/Ghy**

**Md Ikramul Hussain**

- Vs -

**TATA AIA LifeInsurance Company Ltd.**

**Date of Order : 22.11.2013**

**Complainant:** The Complainant stated that his father Mokbul Hussain procured Policy No U169179869 with date of commencement on 06.10.2009 for a Sum Assured of Rs. 2.70 Lakhs and 10 years term. While the policy was in force, the Insured expired on 31.12.2011. The Complainant, being the nominee under the above policy, lodged a claim before the Insurer along with all supporting documents. But, the Insurer has partially repudiated the claim. However, the Insurer has sent a cheque for Rupees 54677.68 which was refused to accept by the Complainant and return the said cheque to the Insurer. Being aggrieved, he has lodged this complaint.

**Insurer :** The Insurer in their "Self Contained Note" has stated that they received death claim papers from the nominee Mr Ikramul Hussain under Policy no U169179869 stating that the Insured Mr Mokbul Hussain died on 31.12.2011. After conducting detailed Investigation they found that there has been deliberate misrepresentation /non-disclosure of facts relating to age of life Assured at the time of application with intention to cheat the Insurance Company. They have issued the policy to Mr Mokbul Hussain on the basis of a certificate from the President of Moirabari Gaon Panchayat, However as per Investigation the LA was 61 years as per 1997 voters list, and also 2010's voter list LA 73 years this means Insured was 72 years at the time of application which is beyond insurable for that plan. Thus they have repudiated the claim on the ground of misstatement of age at the time of application; however they have paid Rupees 54677.68 as Account value of the Bid price of the next valuation date through cheque No 721813 dated 02.08.2012 drawn on HDFC Bank.

**Decision :** I have carefully gone through entire documents available on record as well as statement of the parties. While going through the proposal form, it is found that the Life Assured had mentioned his DOB as 01.01.1944, age 65 years at the time of application. As on 2010 his age would have been 66/67 years. But, as per the voter list of 2010, it is appearing as 73 years. There is a difference of 6/7 years only with Voter list of 2010 which is not impossible. Moreover, the Complainant has submitted one Transfer certificate dated 29.8.2013 collected from the Headmaster, Moirabari Block Primary School wherein the Date of Birth is stated as 01.01.1944. The Insurer has accepted the



proposal on the basis of certificate issued by Moirabari Gao Panchayat. The Date of birth ( 01.01.1944) is same with the school certificate issued by the Headmaster, Moirabari Block Primary school. The cause of repudiation of claim on the ground of miss-statement of age on the basis of voter list is not just and prudent. Voter list can not be an evidence of age proof.

Considering the entire facts and circumstance as discussed above, I am of the view that the decision of repudiation of the claim by the Insurer is not just and proper. The Insurer is liable to pay full amount of death claim. 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.

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**GUWAHATI OMBUDSMAN CENTRE**

**Complaint No.21/L001/142/12-13/Ghy**

**Mrs. Mina Saikia**

**- Vs -**

**Life Insurance Corporation of India**

**Date of Order : 17.10.2013**

**Complainant:** The Complainant stated that her husband Bakul Ch. Saikia procured Policy No. 485158482 from the L.I.C. of India with the date of commencement on 09.01.2010 for a Sum Assured of Rs.50,000/-. While the policy was in force, the Insured died on 02.02.2010. The Complainant, being the nominee under the policy, lodged a claim before the Insurer along with all supporting documents. But, the Insurer has repudiated the claim without any justified ground. Being aggrieved lodge the complaint.

**Insurer :** The Insurer has stated in their "Self Contained Note" that in the proposal form the Proposer / Life Assured mentioned his nearer birthday as 55 years showing the date of birth as 14.12.1954. On the basis of personal statement of the Proposer, they have issued the Policy No. 485158482 to him with the date of commencement on 09.01.2010. They received the death claim from the nominee stating that the Insured Bakul Ch. Saikia expired on 02.02.2010 i.e. within 26 days from the date of commencement of the policy As it was very early claim they have investigated the case and they procured a Pension Payment Order of the Insured Bakul Ch. Saikia wherein his date of birth is mentioned as 01.07.1951. So, the Insured had grossly understated his age by about 04 years at the time of proposing for assurance. As the Insured suppressed the material facts in the proposal form, they have repudiated the claim.

**Decision :** I have gone through the entire documents available on record. I have also perused the statements of the parties. The copy of repudiation letter dated 08.11.2010 discloses that the Insurer repudiated the claim of the Complainant on

the ground that the Insured Bakul Ch. Saikia suppressed his actual age in the proposal form with malafied intention to gain the benefit of insurance. On a close perusal of the copy of Proposal Form, it reveals that Mr. Bakul Ch. Saikia submitted the proposal form on 06.01.2010 before the Insurer. In the column of age (Nearer Birthday) of the said proposal form, the Insured mentioned as 55 years and in the column of Date of Birth, he mentioned as 14.12.1954. From the above document it is ample clear that the Insured had mentioned his date of birth as 14.12.1954 and on that basis the Insurer calculated the premium and issued the Policy No. 485158482 on the life of Bakul Ch. Saikia. On the other hand, the copy of Pension Payment Order issued by the Accountant General (A & E), Assam makes it ample clear that the date of birth of Bakul Ch. Saikia is shown as 01.07.1951. It is crystal clear from the above document that the Insured suppressed his age by about 04 years in the proposal form.

All these above make it crystal clear that the Life Assured suppressed the material information regarding his actual age at the time of filling in the proposal form. Considering the entire facts and circumstances, I find no discrepancy on the part of the Insurer in repudiating the claim of the Complainant and finding no ground to interfere with the decision of the Insurer, the complaint is treated as closed.

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**GUWAHATI OMBUDSMAN CENTRE**

**Complaint No. 21/L001/156/12-13/Ghy**

**Smt Sabitri Karmakar**

**- Vs -**

**Life Insurance Corporation of India**

**Date of Order : 13.12.2013**

**Complainant** : The Complainant stated that her husband Mr Gopal Ch. Karmakar availed a policy bearing no.488846741 from L.I.C.of India, Barpeta Road Branch with the date of commencement on 28.5.2008 for a Sum Assured of Rs. 2.00 Lakhs. While the policy was in force, the Life Assured expired on 25.09.2010. Being nominee, Smt Sabitri Karmakar lodged a claim before the Insurer along with all supporting documents. But, the Insurer has repudiated the claim on the ground that the Life Assured was suffering from illness before taking the policy and that was not disclosed by the Life Assured in the proposal form. Being aggrieved with this decision , she lodged this complaint.

**Insurer** : The Insurer has stated in their "Self Contained Note" that Mr.Gopal Ch.Karmakar submitted a proposal to Barpeta Road Branch of LICI and on the basis of proposal form policy was issued bearing no.488846741 with the date of commencement on 28.5.2008 for a Sum Assured of Rs.2.00 Lakhs. The Insurer had received a death claim intimation from the Complainant stating that the Life Assured died on 25.9.2010 within 2 years 3 months 27 days from the date of commencement of the policy. As it was an early claim, the Insurer investigated the matter and detected that the Insured was on sick leave on several occasions prior to commencement of the policy; but

in the proposal form in q.no.11(3), he answered in the negative. As per employer record, Mr.Gopal Ch.Karmakar was on leave for medical ground 11.8.2007 to 18.8.2007, 8.10.2007 to 26.10.2007 & 21.11.2007 to 19.12.2007. Due to suppression of material facts, the claim has been repudiated by the Insurer.

**Decision** : I have carefully gone through the entire documents available on record as well as the statements of the parties. The fact of having the above policy, and that too, in force, as on the date of death of the Insured (on 25.09.2010) is not in dispute. The claim repudiation letter goes to show that the Insurer has decided to repudiate all the liabilities under the policy on account of suppression / withholding of the material informations regarding health in the proposal form. It is alleged that the Life Assured did not disclose ailment in the proposal form which was submitted for procuring the above policy by the Life Assured on 23.06.2008. The proposal form shows that in Personal History the Proposer / L.A. answered negative all the health related questions. It is alleged that all these were intended for the purpose of ascertaining the actual health condition of the Life Assured as the Insurer was required to take risk for huge amount assured. The Insurer has produced Sick Leave particulars from Employer of the Insured (State Bank of India) before this Authority which discloses that claimant has submitted one certificate issued by the Employer that sick leave was availed not for the sickness of Gopal Ch.Karmakar, but for the treatment of elder daughter, younger daughter and wife. To clarify the matter we had written a letter to the Employer, Chief Manager, SBI, Tezu Branch on 22.11.2013. The Employer, in reply, clarified the matter vide their letter NO CM/43 dated 30.11.2013 that the Life Assured Mr.Gopal Ch.Karmakar himself availed leave on medical ground from 11.8.2007 to 18.8.2007 for 8 days, 8.10.2007 to 26.10.2007 for 19 days and from 21.11.2007 to 19.12.2007 for 24 days.(full pay 24x2) rest debited to his PL a/c as no sick leave was available in his credit. Therefore, it is crystal clear that DLA was suffering from illness prior to the commencement of the policy which he did not disclose in the proposal form.

Considering the entire facts and circumstances, I am of the view that the Insurer has rightly repudiated the claim of the Complainant as the Insured had suppressed his previous ailments in the proposal form. Finding no ground to interfere with the decision of the Insurer, the complaint is dismissed and is treated as closed

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**GUWAHATI OMBUDSMAN CENTRE**

**Complaint No. GUW-L-041-1314-0034**

**Mrs. Utpala Dutta**

**- Vs -**

**SBI Life Insurance Co. Ltd.**

**Date of Order : 03.01.2014**

**Complainant:** The Complainant stated that her husband Nirup Saikia was an insured member under Policy No. 8600056808 with the date of commencement on 01.10.2011. While the policy was in force, her husband died on 23.06.2012. Thereafter, she lodged a claim before the Insurer along with all supporting document. But, the Insurer has repudiated her claim. However, they have sent a cheque for Rs.10,000/- which she encashed. Being aggrieved, she has filed this complaint.

**Insurer :** The Insurer has stated in their "Self Contained Note" that the Insured Nirup Saikia had availed Loan from the State Bank of India, Chowkihola Branch and had applied for SBI Life – Swadhan Plan (Group Insurance Scheme) under Master Policy No. 8600056808 issued to State Bank of India, Chowkihola Branch. The risk commenced on 01.10.2011 for a Sum Assured of Rs.3,00,000/-. They received claim papers from the Complainant stating that the Insured committed suicide on 23.06.2012 i.e. within 8 months and 22 days from the date of commencement of the policy. Thus in the instant case, suicide clause of the Master policy is applicable. Clause 6 of the Master Policy states that "The company shall not be liable for payment of any benefit under this master policy in respect of a member, if such a member (whether sane or insane) commits suicide within one year of the date of that insurance cover for that member first commences". Therefore, they have repudiated the claim of the complainant.

**Decision :** I have carefully gone through the entire documents available on record as well as the statements of the parties. The Insurer has produced the copy of claimant's statement, Medical Attendants Certificate, Doctor Certificate & Postmortem Report. All the above documents make it ample clear that the Insured committed suicide on 23.06.2012. It is apparent that the Insured committed suicide within 8 months 22 days from the date of inception of the policy. The Clause 6 of the Master Police reads as under :-

**6. Suicide**

*"The company shall not be liable for payment of any benefit under this master policy in respect of a member, if such a member (whether sane or insane) commits suicide within one year of the date of that insurance cover for that member first commences"*

It is crystal clear from the above policy condition that the claim is not payable if the Insured commits suicide within one year from the date of commencement of the policy. In the instant case, the Insured committed suicide before completion of one year. Therefore, the Insurer has repudiated the claim of the Complainant.

Considering the entire facts and circumstances, I am of the view that the Insurer has rightly repudiated the claim of the Complainant. Finding no scope to interfere with the decision of the Insurer, the complaint is dismissed and is treated as closed.

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**GUWAHATI OMBUDSMAN CENTRE**  
**Complaint No. GUW-L-036-1314-0020**

**Sri Pramod Kalita**

**- Vs -**

**Reliance Life Insurance Co. Ltd.**

**Date of Order : 10.03.2014**

**Complainant** : The Complainant stated that his father Chakradhar Kalita took Policy No. 19742569 from the Reliance Life Insurance Co. Ltd. with the date of commencement on 24.01.2012 for a Sum Assured of Rs.1,00,000/-. While the policy was in force, the Insured died on 15.04.2012. He thereafter, lodged a claim before the Insurer along with all supporting documents. But, the Insurer has repudiated the claim without any justified ground. Being aggrieved, he has lodged this complaint.

**Insurer** : The Insurer has stated in their "Self Contained Note" that they received death claim intimation from the nominee/Complainant Mr. Pramod Kalita under Policy No. 19742569 stating that the Insured Mr. Chakradhar Kalita expired on 15.04.2012 i.e. after a period of 82 days from the date of issuance of the policy. As it was early claim they investigated the matter and they found that the Life Assured had produced false particulars and documents with the proposal form in respect of age proof. The proposal form as submitted by the Deceased Life Assured for availing the policy bearing No. 19742569 on 21.01.2012, in which date of birth stated by the Life Assured was 01.01.1957 i.e. at the time of proposal he was aged 55 years. The same was supported by a certificate dated 21.01.2012 issued by the Village Head of Gaonburah, submitted by the Life Assured at the time of availing the policy. However, the age of the Life Assured established by the Voter's List was 75 years in the year 2013, as opposed to the age proof given at the time of the proposal. They have repudiated the claim on the ground of suppression of actual age of the Life Assured in the proposal form.

**Decision** : I have carefully gone through the entire documents available on record as well as the statements of the parties. The copy of the proposal form made available to us by the Insurer which discloses that the proposer Chakradhar Kalita stated his date of birth as 01.01.1957 i.e. at the time of proposal his age was 55 years. In support of his age proof he had submitted a certificate issued by the Gaonburah, Ramechuburi, Tamulpur. On perusal of the said certificate, it appears that date of birth of Mr. Chakradhar Kalita was shown as 01.01.1957. On that basis the Insurer issued the above policy to Mr. Chakradhar Kalita. When claim arose the Insurer conducted an investigation and found that the age of the Life Assured was 75 as per Voter's List 2013. It is an admitted fact that the actual age of a person always differs from the voters' list. Age shown in Voters' List cannot be treated as actual age. In the instant case also, in voters' list the Insured's age was shown as 75 in the years 2013. Moreover, at the time of procuring the policy the Insurer treats the voters' list as sub-standard age proof. It is very difficult to understand that at the time of settlement of claim how they have treated the voters' list as standard age proof.

Considering the entire facts and circumstances, I am of the view that the Insurer has repudiated the claim of the Complainant without any justified and proper ground. Therefore, their decision of repudiation is set-aside. The Insurer is liable to pay the entire claim amount as per terms and conditions of the policy.

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## **HYDERABAD**

Hyderabad Ombudsman Centre  
Case No. L-21-003-787/2012-13

Mr. V.C. Mohan Kumar  
Vs  
TATA AIA Life Insurance Co. Ltd.  
Award Dated : 04.10.2013

\_\_\_\_\_Mr. V.C. Mohan Kumar filed a complaint that the death claim under the policy of his deceased father was wrongly repudiated by the insurer, i.e. TATA AIA Life Insurance Company Ltd.; hence, he requested for settlement of the same.

Pursuant to the notices issued by this office, both the parties attended to the hearing conducted at Bengaluru on 31.8.2013.

During the hearing, the representative of insurer argued that their investigator had obtained a certificate from Dr. Naveen Kumar that the life assured was suffering from

**'CAD' for 2 years prior to his death. Hence, they repudiated the death claim for valid reasons.**

**On the other hand, the complainant repeated the contentions as stated in the complaint and added further that his father was very healthy prior to taking the policy. His father used to consult Dr. Naveen Kumar for general check up and stopped visiting him when he came to know that the doctor was not trustworthy. The certificate shown by the insurer was a fake one and the whereabouts of that doctor were not known.**

**Since the complainant had contested the doctor certificate, based on which it was argued by the insurer that the deceased life assured was having pre-existing disease, the insurer was asked to cause further enquiries and to submit their further evidence, if any, and also to provide the details of Dr. Naveen's health & diet care centre.**

**Subsequently, an email was received on 30.9.2013, from the insurer stating that their enquiries revealed that the hospital was not functioning anymore and they could not trace the details of the doctors who were running that hospital.**

**In view of the said communication, the documentary evidence, i.e., the certificate from Dr. Naveen Kumar, produced by the insurer in support of their contention that the deceased had pre-existing diseases, is held as not dependable piece of evidence and is rejected. As the insurer depended solely on this 'rejected evidence', for repudiating the claim, the repudiation itself, is held as incorrect.**

**In view of the aforesaid reasons, repudiation of death claim under the policy was not found in order. The insurer is directed to settle the claim as per the policy conditions.**

**In the result, the complaint is allowed.**

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**Hyderabad Ombudsman Centre  
Case No. L-21-019-831/2012-13**

**Mrs. Shanta B.Koppad  
Vs  
Aegon Religare Life Insurance Co. Ltd.**

**Award Dated : 04.10.2013**

**Mrs. Shanta Basavaraj Koppad had filed a complaint that the death claim under the policy of her deceased husband was wrongly repudiated by the insurer, i.e. Aegon Religare Life Insurance Company Limited; hence, she requested for settlement of the same.**

**Upon a careful consideration of the documentary evidence adduced by the insurer, and on going through the pathological and CT Scan reports dated 7.10.2011 of NMR Scan Centre, Hubli, it is very clear that the deceased life assured was diagnosed as having 'Interstitial Lung Disease/ Lymphangitis', much prior to his proposal for insurance dated 10.11.2011. It was further corroborated with the evidence of 'Preauthorisation Request dated 24.3.2012, for cashless hospitalization under 'Vajpayee Arogyashree', which shows that the deceased life assured was suffering from 'Carcinoma Lung' small cell type.**

**The other argument of the complainant was that the evidence of the insurer was not pertaining to the deceased life assured. However, to clarify that point, the insurer had submitted the copies of BPL card number NAR4553000023 registered on the name of the deceased life assured, his dependents and his Voter ID, which were collected at the time of admission into the hospital on 24.3.2012, showing the name and address of the deceased life assured. Further, as per the Electoral list of 'Nargund' Constituency in Gadag district, there was only one name 'Basavaaj Koppad' in that area. As such, there is no confusion on identity.**

**Hence, the documentary evidence discussed hereinabove clearly proves the fact that the deceased life assured had obtained the insurance policy by suppressing his pre-existing disease.**



**In view of what has been stated above, the repudiation of death claim was on valid grounds and there is no need to interfere with the decision of the insurer.**

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

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**Hyderabad Ombudsman Centre  
Case No. L-21-012-124/2013-14**

**Mrs. R. Jyothi  
Vs  
PNB Met Life Insurance Co. Ltd.**

**Award Dated : 15.10.2013**

\_\_\_\_\_ **Mrs. Renukuntla Jyothi had filed a complaint that the death claim on the policy of her deceased husband was wrongly repudiated by the insurer, i.e. PNB Met life Insurance Company Limited; hence, she requested for settlement of the same.**

**I have considered the written contentions in conjunction with the documentary evidence placed by the parties and the arguments put forth by them during the hearing. It is seen from the copies of the Discharge Summary dated 5.6.2010 of Indo-American Cancer Institute & Research, Hyderabad, that the deceased life assured was suffering with 'Carcinoma Stomach' with secondaries in paraortic mesenteric nodes with omental involvement, much prior to his proposal for insurance dated 17.11.2010. The said hospitalization record clearly establishes the fact that the deceased life assured had taken the insurance policy, suppressing his factual medical condition.**

**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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.**

**However, since the complainant was asserting that the DLA was induced by the representatives of the insurer to take the policy, there must be a definite role of the Agent who had actively canvassed in spite of knowing the ailments of the DLA and as such, entire blame could not be attributed to the deceased life assured alone. The insurer did not submit the details of action taken against their agent who procured the policy. In these circumstances, it may not be fair to penalize the complainant through repudiation of the**

death claim in entirety. On the other hand, it is also not desirable to grant benefits in a case where suppression of material information at proposal stage, is clearly proved.

In the light of what has been stated above, I feel ends of justice can be met by granting

Ex-gratia.

In view of what has been stated above, the insurer is directed to pay Rs.1,50,000/- under ex gratia, to the complainant.

In the result, the complaint is partly allowed.

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Hyderabad Ombudsman Centre  
Case No. L-21-002-278/2013-14

Mrs. K. Suguna

Vs

SBI Life Insurance Company Ltd.

Award Dated : 15.10.2013

Mrs. K. Suguna filed a complaint that death claim under the policy of her deceased husband was wrongly repudiated by the SBI Life Insurance Company Limited; hence, she requested for settlement of the same.

I have considered the written contentions in conjunction with the documentary evidence placed by the parties and the arguments put forth by them during the hearing. It is seen from the copies of A.P. Rajeev Aarogyasree Scheme that the deceased life assured was admitted in DurgaBhai Deshmukh Hospital, Hyderabad on 4.2.2009 and was diagnosed having "CHF-Refractory Cardiac Failure, Severe LV dysfunction, LVEF 25%, To R/O DM (Hyperglycemia). Discharge Summary dated 9.2.2009. Later, he was discharged after treatment on 9.2.2009.

Further, as per discharge summary dated 7.3.2009 of Krishna Institute of Medical Sciences, Secunderabad, the deceased life assured was admitted on 23.2.2009, underwent surgery for 'Coronary Artery Bypass Grafting' and got discharged on 7.3.2009. His hospitalization at both the places was much prior to his Declaration of Good Health dated 15.4.2010, and it clearly establishes the fact that the deceased life assured had signed the declaration of his health, suppressing his factual medical condition.

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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.

However, since the complainant was asserting that the insurance was offered by the bank officials while obtaining housing loan and the deceased life assured had disclosed all his health factors, there must be a definite role of the bank officials who were the representatives of insurer and actively canvassed for the policy in spite of knowing his ailments; and as such entire blame could not be attributed to the deceased life assured alone and penalize the dependents on his demise. The insurer did not submit the details of action taken against their agent who procured the policy. More so, the premium paid was for 15 years in a lump sum amount of Rs. 57,289/-. Considering the facts and circumstances of the case, I find it to be fit case to grant ex-gratia.

In view of what has been stated above, the insurer is directed to pay Rs. 75,000/- under Ex-gratia, to the complainant.

In the result, the complaint is partly allowed.

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Hyderabad Ombudsman Centre  
Case No. L-21-008-099/2013-14

Mrs. Parvathamma  
Vs  
Kotak Mahindra Old Mutual Life Ins.Ltd.

Award Dated : 25.10.2013

Mrs. Parvathamma filed a complaint stating that the death claim under the policy of her deceased husband was wrongly repudiated by the insurer, i.e. Kotak Mahindra Old Mutual Life Insurance Ltd.; hence, she requested for settlement of the claim.

On carefully going through the written and oral submissions and the documentary evidences submitted by the both the parties, it is observed that:

- As per discharge summary from M.S.Ramaiah Memorial Hospital Bangalore IPNO: 150857 dated 04.06.2008, the DLA was suffering from CUD-Right Hemiparesis with Sensory Aphasia (recovering) (Left MCA Territory Infarct) and Hyperhomocysteinemia
- As per the treatment / prescription dated 31.07.2012 from M.S.Ramaiah Hospital Bangalore he was a known case of DM/HTN/IHD and had history of similar episodes of vomiting 3years back.
- The representative of the complainant has not raised objection regarding hospitalization and treatment at M.S.Ramaiah Hospital Bangalore and requested for refund of premium under the above policy.
- The hospitalization was much prior to the date of proposal i.e. 27.03.2012, and it proves that deceased life assured had submitted the proposal suppressing his health condition.

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. The life assured did not disclose his correct status of health in his proposal for insurance, the insurer cannot be made liable to pay sum assured as per contract.

The complainant has stated that the official of the insurer approached and filled the proposal form and he did not ask for the medical records of the deceased life assured at the time of acceptance of proposal, he requested for refund of premium. In this case, there is some role of the official/agent of the Insurer, who canvassed the policy. It may be too harsh to penalize the complainant through repudiation. On the other hand, it is also not desirable to grant benefits where the suppression of material information at proposal stage is proved.

Considering all these facts, I am of the opinion that the complainant requires some relief. I hereby direct the Insurer to refund the premium i.e. Rs 29983/- (Rupees twenty nine thousand nine hundred eight three only) as ex gratia in full and final settlement of death claim under the policy no 02514501.

In the result, the complaint is partly allowed.

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**Hyderabad Ombudsman Centre  
Case No. L-21-001-072/2013-14**

**Mr. Bhimappa Ramappa Yaragatti  
Vs  
LIC of India, Belgaum**

**Award Dated : 31.10.2013**

**Mr. Bhimappa Ramappa Yaragatti had filed a complaint stating that the death claim under the policy of his deceased father was wrongly repudiated by LIC of India, Belgaum; hence, he requested for settlement of the same.**

**On carefully going through the written and oral submissions and the documentary evidence submitted by the both the parties, it is observed that:**

- Sri Ramappa Bhimappa Yaragatti had obtained the policy from LIC of India for sum assured one lakh, with date of commencement as 11.08.2006, yearly premium Rs 12789 for 10years. The voters ID card as Age proof with date of birth-01.01.1968 accepted at the time of issuing the policy under non medical scheme. Subsequently Policy lapsed for non-payment of premium due Aug'2008 and revived the policy on the basis of declaration of good health dated 04.04.2009. The policy resulted in to a claim within 8 months 10 days from the date of revival.**
- Date of birth of Mr. Yaragatti Shivaji Ramappa eldest son is 01.06.1972 as per T.C Regd no 1520 dated 08.06.1988 issued by Pandit Jawaharlal Nehru High School Kalloli, Gokak Taluk ,Karnataka.**
- Date of birth of Mr. Bhimappa Ramappa Yaragatti, younger son is 01.03.01980 as per school certificate admn no 1083 dated 09.08.2010 issued by Head Master Govt Kannada Primary School, Rajapura, Karnataka.**

**The age proofs of his sons are sufficient to conclude that the deceased life assured had obtained policy by understatement of age by 16 years, which is vital for computing of premium and underwriting the risk.**

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. The life assured did not disclose his correct status of health in his proposal for insurance, the insurer cannot be made liable to pay sum assured as per contract.

Duration of the policy is 3 years 4 months 3days from the date commencement and it attracts section 45. Policy term is 10 years and total premium paid is Rs. 51156/-. Further complainant reiterated that DLA had no intension to hide genuine facts. In this case, there is some role of the agent of the Insurer who canvassed the policy. It may be too harsh to forfeit the premium paid through repudiation. On the other hand, it is also not desirable to grant benefits where the suppression of material facts at proposal stage is proved.

Considering all these facts, I am of the opinion that the complainant requires relief. I here by direct the Insurer to refund the premium i.e. Rs.51156/- (Rupees fifty one thousand one hundred fifty six only) as ex gratia in full and final settlement of death claim under the policy no 634874073.

In the result, the complaint is partly allowed.

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Hyderabad Ombudsman Centre  
Case No. L-21-002-262/2013-14

Mr. S. Venkataiah  
Vs  
Future Generali India Life Insurance Company Ltd

Award Dated : 08.11.2013

Mr. S. Venkataiah filed a complaint that the death claim under the policy of his deceased sister was wrongly repudiated by the insurer, i.e. Future Generali India Life Insurance Company Ltd; hence, he requested for settlement of the claim.

On carefully going through the written and oral submissions and the documentary evidences submitted by the both the parties, it is observed that:

1. Miss Manga Sabavatu had taken policy from Future Generali life insurance company for sum assured Rs 304880/-, with date of commencement as

26.11.2012, yearly premium Rs. 29951. The policy resulted in to a claim within one month from the date of commencement of the policy.

2. As per the discharge summary from Government General & Chest Hospital, Hyderabad, she was admitted on 19.3.2012 with In-Patient number 15870227; she was diagnosed as having "Acute Respiratory failure without ventilator" and was discharged after treatment on 22.3.2012. Further, in 'consent form of the Patient/Representative' in the case sheet pertaining to the life assured, there was an endorsement by the concerned doctor that "Poor Prognosis was explained to the patient's attendant". She was hospitalized prior to the proposal for insurance dated 30.10.2012; there is valid proof that she had secured the insurance policy by suppressing the pre-existing disease.

The Government hospital summary sheet and discharge summary is sufficient to conclude that the deceased life assured had obtained the policy by suppressing the material information i.e. bodily deformity, hospitalization and treatment which is very vital for acceptance of proposal. The complainant's assertion that his sister did not know about the details in the proposal form does not appear to be true, considering the fact that she had signed the proposal form in English.

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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.

In view of what has been stated above, I hold that the repudiation of death claim under the policy was on valid grounds and the decision of the insurer does not need any interference.

In the result, the complaint is dismissed.

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**Hyderabad Ombudsman Centre  
Case No. L-21-009-420/2012-13**

**Mrs. S. Eswaramma  
Vs  
Bajaj Allianz Life Insurance Co. Ltd.  
Award Dated : 13.11.2013**

**Mrs. Satapati Eswaramma filed a complaint stating that death claim under the policy of her deceased husband was wrongly repudiated by the insurer, M/s. Bajaj Allianz Life Insurance Company Limited; hence, she requested for settlement of the same.**

**On a careful consideration of the contentions of both the parties and the documentary evidence adduced by them, I find that the proposal dated 27.11.2010 in question was submitted to the insurer on the name of 'Satapati Demulu', along with a copy each of 'Driving Licence' and SSC certificate as evidence of his age and address proof. The proposal was accepted by the insurer, covering the risk from 28.11.2010 based on the said documents. Subsequently, the complainant filed the death claim under the policy, submitting a death certificate with the date of death of life assured as 29.12.2010. Since it was an early death claim, the insurer investigated the matter and based on the findings of their investigation they treated the policy as void.**

**The core contention of the insurer was that with fictitious documents, i.e. i) school certificate, ii) driving license and iii) ration card; the proposal was submitted and the policy was obtained. Later, with a wrong date of death a death certificate was obtained and the complainant had filed a claim under the policy; as such the claim was rejected for misrepresentation of facts.**

**The insurer had submitted all the documentary evidence to further fortify their stand that the proposal for insurance was accompanied with fake documents, viz., Secondary School Certificate, Driving License, Household Card and the policy was taken by misrepresentation of facts. On scrutiny of all the aforesaid documents, that accompanied the proposal, they were found fake by the concerned issuing authorities, as already mentioned earlier. Further, the date of death of the life assured was also confirmed by his**



family members as 1.10.2010 which strengthens the argument of the insurer that by submitting fake/fictitious documents the policy was obtained.

Considering the evidence furnished by the insurer, I am inclined to agree with the view that the life assured died much before the date of inception of the policy. It is not clear as to how the Panchayat Secretary has given a death certificate, stating the date of death as 29.12.2010. Even if one were to assume but without conceding, that the life assured had actually died on 29.12.2010, that will not help the complainant as regards repudiation of the death claim. This is so because, the insurer has proved with cogent evidence that the policy was secured fraudulently by furnishing fake certificates as age proof. This being the case, the claim was liable to be repudiated.

In view of what has been stated above, I hold that the policy under reference was secured through fraudulent means and that such policy cannot constitute a valid contract to bind the insurer as regards the claim of the complainant. I endorse the decision of the insurer in repudiating the claim.

In the result, the complaint is dismissed.

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Hyderabad Ombudsman Centre  
Case No. L-21-006-214/2013-14

Mrs. T. Rama Devi  
Vs  
Birla Sunlife Insurance Co. Ltd.

Award Dated : 25.11.2013

Mrs. T. Rama Devi wife of late Mr. T. Veeraswamy filed a complaint that death claim under the policy of her diseased husband was wrongly repudiated by Birla Sun Life Insurance Company; hence, she requested for settlement of the claim.

On a careful consideration of the contentions of both the parties and the documentary evidence adduced by the insurer, it was noticed from the Consultation and Prescription papers of Dr. CRPS Krishna, MD, Physicial, Kothagudem, that the deceased life

assured had consulted the said doctor on 6.10.2010 and he was advised to visit higher hospitals for further management of 'DCM' (dilated cardio-myopathy) and 'CCF' (congestive cardiac failure). Further, as per the USG Abdomen and Pelvis report dated 6.10.2010 of Medicare Diagnostics, Kothagudem, the deceased life assured was diagnosed as having 'Right Pleural Effusion' and 'Mild Hepatomegaly'. As per the investigation report dated 22.1.2011 of Medinova Diagnostic Services, Khammam, the deceased life assured was diagnosed as having "Severe RV dysfunction, RA/RV dilated, Severe TR/Severe PAH, PA dilated, and Possible PPH".

All the aforementioned information recorded on the prescriptions of doctors and diagnostic/investigation reports was within the knowledge of the deceased life assured pertaining to the period much prior to his application for insurance dated 29.8.2012. The said documentary evidence clearly establishes the fact that the deceased life assured was suffering with pre-existing diseases and by intentionally concealing the said facts, he had obtained the policy.

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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.

As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.

In view of what has been stated above, the complaint is dismissed without any relief.

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Hyderabad Ombudsman Centre  
Case No. L-21-006-229/2013-14

Mrs.Farzana Mohd  
Vs  
Birla Sunlife Insurance Co. Ltd.

Award Dated : 25.11.2013

Mrs.Farzana filed a complaint that the death claim under the policy of her mother late Mrs. Jameela Md., was wrongly repudiated by Birla Sun Life Insurance Company; hence, she requested for settlement of the claim.

**On a careful consideration of the contentions of both the parties and the documentary evidence adduced by the insurer, it was noticed from the Discharge Summary dated 4.1.2013 of MGM Hospital, Warangal that the deceased life assured had been admitted in the said hospital on 29.12.2012 and was diagnosed as a case of 'CAD, HTN, DM (T2)'. Subsequently, she was again admitted into the said hospital, with the same diseases on 21.1.2013 and was discharged on 23.1.2013. The copies of both discharge summaries contain notings that the deceased life assured was 'known case of T2 DM and HTN for 10 years' and a 'known case of CAD'. Considering the nature and gravity of the diseases, there is no scope for the life assured not being aware of the same, while taking the policy in 2011.**

**The information recorded on both the discharge summaries was much prior to her Application for insurance dated 21.9.2011 which clearly establish the fact that the deceased life assured was suffering with pre-existing diseases and she had obtained the policy, intentionally concealing crucial information about her health.**

**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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.**

**As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.**

**In view of what has been stated above, the complaint is dismissed without any relief.**

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**Hyderabad Ombudsman Centre  
Case No. L-21-006-228/2013-14**

**Mrs. Balamani Molthati  
Vs  
Birla Sun Life Insurance Co. Ltd.  
Award Dated : 25.11.2013**

**Mrs. M. Balamani filed a complaint stating that the death claim under the policy of her son late Mr. Naveenkumar Molthati, was wrongly repudiated by the Birla Sun Life Insurance Company Limited; hence, requested for settlement of the same.**

**Pursuant to the notices issued by this office for a hearing on 22.8.2013, the complainant remained absent and requested for an adjournment in view of her personal pre-occupation. Subsequently, hearing on the complaint was conducted at Hyderabad on 6.11.2013 for which also, complainant remained absent and the insurer was represented by Mr. C. Janakiram.**

**The representative of the insurer reiterated their argument that the deceased life assured had furnished false answers in his proposal for insurance with fraudulent intention, hence their repudiation action was in order.**

**On a careful consideration of the contentions of both the parties and the documentary evidence adduced by the insurer, it was noticed from the Discharge Summary dated 23.6.2010 of Indo-America Cancer Institute & Research Centre, Hyderabad that the deceased life assured was admitted on 20.6.2010 and was diagnosed as having "Recurrent Osteogenic Sarcoma of Right Femur". The history of the patient was noted thereon as "known case of Osteogenic Sarcoma of Right Femur", Post surgery & post chemo – RT in 2007, present problem as 'recurrent metastatic disease' and was admitted for further management.**

**All that information recorded on the discharge summary dated 23.6.2010, was much prior to the Application for insurance dated 26.12.2011. This clearly establishes the fact that the deceased life assured was suffering with pre-existing disease and he had**

obtained the policy, suppressing material information about his health, with malafide intention.

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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.

As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.

In view of what has been stated above, the complaint is dismissed without any relief.

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Hyderabad Ombudsman Centre  
Case No. L-21-010-185/2013-14

Mr. I. Suresh Babu  
Vs  
Reliance Life Insurance Company Ltd.  
Award Dated : 25.11.2013

Mr. Indla Suresh Babu filed a complaint that the death claim under the insurance policy of his mother was short settled by the insurer, i.e. Reliance Life Insurance Company Limited. Hence, he requested for settlement of the balance amount.

Pursuant to the notices issued by this office, both the parties attended the hearing conducted on 6.11.2013 at Hyderabad.

During the hearing the complainant repeated what was stated in the complaint. On the other hand, representative of the insurer argued that non-settlement of Fund Value under the policy was strictly as per the policy conditions. The insurer's representative has read all the relevant terms of the policy.

The policy document 'Reliance Super Automatic Investment Plan (Regular Premium), under condition no. 3.3.1 – Death Benefit: states "In the event of death of the Life Assured during the policy term, while the policy is in force, the company will pay: On death before age 12 years-in the event of death of the life assured before 12<sup>th</sup> birthday, the fund value as on the date of receipt of intimation of death will be paid. The fund value relating to top-ups

will also be paid. On death after age 12 and before age 60 years-in the event of death of the life assured after 12<sup>th</sup> birthday and before the 60<sup>th</sup> birthday, the higher of Sum Assured (less all partial withdrawals made from the basic policy fund during the last 24 months prior to date of death) and the fund value relating to the basic policy as on the date of receipt of intimation of death will be paid. The fund value relating to top ups will also be paid.”

He further submitted that, in the instant case, the fund value as on the date of intimation of death was Rs. 32,660/- which was lesser than the sum assured of Rs. 100,000/-. Therefore, the insurer had admitted the death claim for the sum assured of Rs. 100,000/- and paid to the claimant, which was the higher eligible amount, as per the policy conditions.

In view of the aforesaid reasons, I hold that non-payment of Fund Value under the policy by the insurer was in line with the recitation on the policy document.

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

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Hyderabad Ombudsman Centre  
Case No. L-21-006-1000/2012-13

Mr. V. Appala Naidu  
Vs  
Birla Sun Life Insurance Co. Ltd.

Award Dated : 27.11.2013

Mr. Velankayala Appala Naidu filed a complaint that the death claim cheque issued under the policy of his deceased son was not delivered to him by the insurer, i.e. Birla Sun Life Insurance Company Limited, and that the insurer had subsequently repudiated the claim; hence, requested for settlement of the claim.

Pursuant to the notices issued by this office, both the parties attended to the hearing conducted at Rajahmundry on 13.9.2013.

At the hearing, the complainant repeated what was stated in the complaint. On the other hand, representative of the insurer vehemently argued that the proposal was submitted with forged signatures of life assured after his death; and with fabricated

documents the complainant had preferred fraudulent death claim. However, the insurer's representative requested for submission of further evidence in support of their assertion. Hence, the matter was adjourned to 11/11/2013. Accordingly, a hearing was conducted at Visakhapatnam on 11.11.2013 and both the parties were present.

The representative of the insurer submitted duly attested office copy of Transfer Certificate No. 1639 dated 24.7.2004 issued by the Principal, A.M.A.L. College, Anakapalle with the Admission No. 15984 in the name of the deceased life assured, viz., Mr. Velankayala Srinivasa Rao. The deceased life assured had signed on the back of the said office copy of the certificate, acknowledging receipt of the same. Juxtaposing this signature with the 'signatures' on the proposal for insurance, one could easily make out that the signature on the proposal was not that of the proposer, Sri Srinivasa Rao. In fact, in the space meant for signature, his name was written in capital letters. Therefore, I am inclined to agree with the insurer that the proposer had not signed on the proposal for insurance. Further, the insurer also submitted copies of Notorised affidavit of the Panchayat Secretary, R.Bheemavaram, Butchiyyapeta Mandal, declaring that the deceased life assured late Mr. Velankayala Srinivasa Rao S/o Appalanaidu had actually died on 11.9.2008 by committing 'suicide' and that the death certificate earlier issued by him with the date of death as 4.12.2011 was cancelled in view of the complaint received from the insurer on that issue.

All the aforesaid documentary evidence furnished by the insurer establishes the fact that the date of death of the life assured was not on 4.12.2011 and on the date of application for insurance, i.e. on 4.2.2011, the life assured was not alive. It is very much evident that the insurance policy was secured fraudulently.

As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.

In view of what has been stated above, the complaint is dismissed without any relief.

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**Hyderabad Ombudsman Centre  
Case No. L-019-1314-0047/2013-14**

**Smt. N.Leelavathi  
Vs  
Aegon Religare Life Insurance Co.Ltd.**

**Award Dated : 28.11.2013**

**Mrs. N. Leelavathi filed a complaint that death claim under the policy of her deceased husband was repudiated by the insurer, i.e. Aegon Religare Life Insurance Co. Ltd. Hence, she requested for settlement of claim.**

**On careful consideration of the contentions of both the parties and the documentary evidence adduced by the insurer, it was observed from the copy of Admission/Discharge Data dated 4.11.2011 of Indus Hospitals, Visakhapatnam that the deceased life assured Mr. N. Eswar Rao was admitted into the hospital on 3.11.2011 at 5.03 AM and he was diagnosed having 'Thrombolytopenia' & ARF. Later, while undergoing treatment in the hospital, he died on 4.11.2011. The death of Mr. N. Eswar Rao was recorded on 6.11.2011 in the Vizag Public Health Department of Visakhapatnam Municipal Corporation; vide Registration No. 2011-20-01309, mentioning the date of death as 4.11.2011.**

**All the aforesaid documentary evidence submitted by the insurer establishes the fact that the date of death of the life assured did not occur on 20.4.2012 but occurred much earlier and, as on the date of application for insurance, i.e. on 19.1.2012, the life assured was not alive. Independent of the finding on the date of death, the claim fails on another count as well. Non-disclosure of medical history in the proposal justifies repudiation of the death claim on the ground of concealment of material facts. I am therefore convinced that the insurance policy in question was secured fraudulently.**

**As such, I hold that repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.**

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

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**Hyderabad Ombudsman Centre  
Case No. L-006-1314-0099/2013-14**

**Mr. V. Suri Babu  
Vs  
Bajaj Allianz Life Insurance Co. Ltd**

**Award Dated : 28.11.2013**

**Mr. V.Suri Babu filed a complaint that death claim under the policy of his deceased father was wrongly repudiated by Bajaj Allianz Life Insurance Company; hence, he requested for settlement of claim.**

**On a careful consideration of the contentions of both the parties and the documentary evidence adduced by the insurer, it was noticed from the Tuberculosis Identity Card No. 514/2010 dated 20.10.2010 issued by the Medical Officer of Revised National Tuberculosis Control Programme, District Hospital, Anakapalle, that the deceased life assured Mr. Vegi Chitti Babu was a new patient and was given treatment for 'extra-pulmonary' disease. The treatment was much prior to his proposal for insurance dated 15.9.2011 and it was within the knowledge of the life assured. As such, the said documentary evidence clearly establishes the fact that the deceased life assured was suffering with pre-existing disease and by concealing the said fact he secured the policy with a malafide intention.**

**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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.**

**As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.**

**However, since the disease with which the life assured afflicted could be easily identified by his physical appearance, there was a possibility of connivance of agent of the insurer without which the policy could not have been issued. As such, it is not proper to penalize the heirs of the deceased for his mistakes after his death. Hence, considering the**

poor back ground of the complainant and the circumstances of the case in totality, I consider it fair to order refund of premium received under the policy, to the complainant.

In view of what has been stated above, the complaint is partly allowed and the insurer is directed to refund the premium received under the policy, under ex-gratia to the complainant.

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Hyderabad Ombudsman Centre  
Case No. L-001-1314-0069/2013-14

Mr. Mandapaka Srinu  
Vs  
Aegon Religare Life Insurance Co.Ltd.

Award Dated : 29.11.2013/2.12.13

Mr. Mandapaka Srinu filed a complaint that death claim under the policy of his deceased wife was wrongly repudiated by Aegon Religare Life Insurance Company; hence, he requested for settlement of the claim.

On a careful consideration of the contentions of both the parties and the documentary evidence adduced by them, it was observed during the hearing that though the complainant argued that his wife was a partner of 'Satya's Saree Centre' and was getting income of Rs. 1,80,000/- per annum, he did not furnish any evidence to that extent. The complainant did not deny the fact that the life assured had suppressed the previous policy particulars while obtaining the policy in question. Hence, it is deemed that by concealing/suppressing the material information, the life assured had secured the policy with a malafide intention.

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 'occupation' and 'income' in her proposal for insurance, the insurer cannot be made liable to pay the sum assured.

As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.

However, since the death happened within six months of the proposal for insurance, there must be a definite role of the Agent who had actively canvassed and induced the life assured to take the policy though she was ineligible for it; and as such entire blame could not be attributed to the deceased life assured alone and penalize her heirs on her demise. Hence, it would be appropriate to compensate the complainant with refund of the premium received under the policy, in the interest of justice.

In view of what has been stated above, the complaint is partly allowed and the insurer is directed to refund the premium received under the policy, with interest @ 9% p.a. from the date of claim under ex-gratia, to the com

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Hyderabad Ombudsman Centre  
Case No. L-001-1314-0070/2013-14

Mr.Jagannadha Rao  
Vs

Aegon Religare Life Insurance Co.Ltd.

Award Dated : 02.12.2013

Mr. Jagannadha Rao filed a complaint that the death claim under the policy of his deceased father was wrongly repudiated by the insurer, i.e. Aegon Religare Life Insurance Company Limited; hence, he requested for settlement of claim.

I have carefully considered the arguments advanced by both the parties as also the documentary evidence brought on record. In the light of evidence submitted by the complainant during the course of hearing, it is very clear that the annual income of the life assured was more than Rs.2 Lacs and that he had not made any wrong statement in the proposal with regard to his income. Obviously the income as mentioned in the 'Household card' was a clear suppression of real income. As regards the age, it is seen

that the proposal was accepted by the Insurer relying on the age as calculated with reference to the PAN Card, which itself is not a standard age proof. All the same, the insurer also could not produce any standard age proof to prove their point that the life assured was above 60 years of age as on the date of proposal. As one non-standard age proof cannot disprove a claim made on the basis of another non-standard age-proof, I cannot accept the insurer's plea that the life assured had understated his age.

In view of what has been stated above, I hold that the insurer has not succeeded in proving that the details furnished by the life assured in the proposal for insurance in respect of his age and income particulars were incorrect. Therefore, in my view the insurer was not justified in repudiating the death claim.

In the result, the complaint is allowed and the insurer is directed to settle the death claim, as per the terms of the policy.

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Hyderabad Ombudsman Centre  
Case No. L-21-001-775/2012-13

Mrs. J. Prasanna  
Vs

L.I.C. of India, Hyderabad Division

Award Dated : 06.12.2013

Mrs. J. Prasanna filed a complaint stating that her husband had applied for insurance with the insurer, i.e. LIC of India, for a sum assured of Rs. 9 lakhs, and he died before receipt of the policy bond. On his demise she requested the insurer for settlement of death claim, but her claim was rejected on the ground of 'unconcluded contract'. Hence, she requested for settlement of the claim.

There was no dispute about the fact that a proposal for insurance was received by the Insurer on 12.9.2011. The proposer was medically examined on behalf of the Insurer on 13/9/2011 and a medical report was given to the insurer, with a photocopy of the same to the proposer. The insurer claims that the said proposal was registered in their books on the same day by giving the Proposal No. 3321. On 20.9.2011 they had written a letter calling for

i) Standard Age proof and 2) Income Proof (or) Tax Returns, if any. Subsequently similar reminder letters were also sent on 21.10.2011, 15.11.2011 and finally on 20.12.2011, calling for these two requirements only.

However, on a close verification of the entire record submitted by the insurer, it was further observed that (i) the required balance premium of Rs. 1,009/- was nowhere mentioned in these letters, (ii) the copy of requirement letter dated 20.12.2011 received by the complainant and the said copy adduced by the insurer were not found as one and the same; (in fact, while the complainant received a computer print-out, the insurer's office copy was a hand-written one) and (iii) as per the contents of the copies of outward mail register, though an entry pertaining to the requirement letter was appearing on the respective dates, the required postage was not paid. Peculiarly, exclusive entries appear distinctly about these letters – indicative of extrapolations. No other contemporaneous evidence was produced to support the claim that these letters were actually sent on the dates as claimed by the Insurer. No supporting evidence was produced with regard to the claim that the concerned agent was orally informed of the deficiencies. As such, the argument of the insurer that requirement letters were sent to the proponent during his life time, cannot be accepted in the absence of cogent supporting evidence. *On the contrary, on the basis of the evidence brought on record, I am inclined to conclude that the only letter sent by the Insurer was the computer-printed letter dated 20. 12.2011 and even that letter was received by the complainant after death of the proponent.* This conclusion gets strengthened by the fact that the Insurer had not responded in time, to even one of the four proposals submitted by the proposer in respect of his family members. Sri Mohan Rao submitted proposals in respect of himself, his wife and his two children and paid premium aggregating to Rs. 91,605/- through four cheques issued on 7/9/2011 and the cheques were cleared on 10/9/2011. All the four proposals were submitted on 12/9/2011. However, in none of these cases, policy was received by the family even by 31/1/2012.

In this context, it is pertinent to note that as per the IRDA (Protection of Policyholders' Interests) Regulations, 2002, under Regulation 4 (6), the insurer is expected to process the proposal and shall communicate his decision within a reasonable period not exceeding 15 days from receipt of the proposal. These Regulations put the onus on the insurer to secure all the necessary information required for the proposal within the

stipulated time-frame and also prescribe that the Insurer shall furnish a copy of the proposal to the insured, within 30 days of acceptance. But, in the instant case, it appears the insurer had received the proposal on 12.9.2011; however, they had sent the only requirement letter dated 20.12.2011 to the address of the proposer, with a delay of more than 90 days, which was not in conformity with the regulatory guidelines. Therefore, it is very clear that the insurer failed in duty in taking timely action on the proposal. Had there been timely action, the proposer would have made good the alleged deficiencies during his lifetime – he lived for a month after submitting the proposal. In that case, the policy would have been issued in time and, the complainant would have had no difficulty in securing the death claim. So, in my considered view, the Insurer, having failed to take timely action, has to necessarily be liable to the consequences as well. It is unjust to heap the consequences on the complainant.

However, it is a fact that policy has not been issued in this case and this has to be treated as a case of unconcluded contract. All the same, for the detailed reasons recorded by me in the above paragraph, the proposal in this case has to be deemed to have met all the requirements for issue of policy. I understand that the Insurer makes ex-gratia payment in such cases.

For the reasons given above, I consider it fair to grant ex-gratia, treating it as a case of unconcluded contract, where the proposal is complete in all respects. Though the complainant has stated the sum assured as Rs. 9 lakhs, I find the sum assured is only Rs. 7.5 lakhs, as per the proposal. Therefore, I direct the insurer to pay Rs. 7.5 lakhs as ex-gratia, to the complainant, in full settlement of the death claim. The premium received will be retained by the insurer.

In the result, the complaint is allowed.

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**Hyderabad Ombudsman Centre  
Case No. L-21-005-313-2013-14**

**Smt.Ajitha T V  
Vs  
HDFC Standard Life Insurance C. Ltd.**

**Award Dated : 16.12.2013**

**Mrs. Ajita Tharamel Vadakekudilil filed a complaint that HDFC Standard Life Insurance Company did not settle the full sum assured under the policy of her deceased husband; hence, she requested for settlement of death claim for the full sum assured.**

**On careful consideration of the contentions of both the parties and the documentary evidence adduced by the insurer, it was noticed from the Discharge Summary dated 24.2.2009 of M.S.Ramaiah Memorial Hospital, Bangalore that the deceased life assured was admitted into the said hospital on 20.2.2009 and was diagnosed as having "Dilated Cardiomyopathy, Moderate LV dysfunction, CAG, Systemic Arterial Hypertension and Diabetes Mellitus". Under the column of Past History, it was mentioned as "Known case of Hypertension, Diabetes Mellitus since 4 years on medications". He was given treatment for the aforesaid ailments and discharged on 24.2.2009.**

**All the information recorded on the Discharge Summary dated 24.2.2009 was pertaining to the deceased life assured and his ill-health; and it was very much prior to his proposal for insurance dated 29.1.2011. Based on the aforesaid documentary evidence, I am convinced that there was non-disclosure of material facts by the life assured and that the insurance policy was secured fraudulently.**

**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 proposal for insurance, the insurer cannot be made liable to pay the sum assured. However, considering the fact that the entire documentary evidence about previous ill health and medical history of the deceased was provided to the insurer by the complainant herself, in all fairness, the complainant deserves refund of premium under the policy.**

In view of my observations in the above paragraph, I consider it just to grant refund of premium, as ex gratia. Accordingly, the insurer is directed to refund the premium collected, after duly adjusting payment already made, to the complainant.

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Hyderabad Ombudsman Centre  
Case No. L-006-1314-0027

Smt. Sandhya Rao

Vs

Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 16.12.2013

Mrs. Sandhya Rao wife of late Mr. B.G.Bheemasena Rao filed a complaint that the insurer, i.e. Bajaj Allianz Life Insurance Company Limited, had wrongly repudiated the death claim under two policies of her deceased husband. Hence, she requested for settlement of the claim.

On careful consideration of the contentions of both the parties and the documentary evidence adduced by the insurer, it was observed from the copy of Discharge Summary issued by the Department of Cardiology, Manipal Hospital, Bangalore, that the deceased life assured Mr. Bheema Sena Rao was admitted into the hospital on 14.4.2004 and was diagnosed having 'Unstable Angina, Three Vessel Coronary Artery Disease, markedly Impaired LV function, Diabetes Mellitus'.

Further, he underwent 'Coronary Angiography' on 15.4.2004 and it revealed 'three vessel coronary artery disease' with markedly 'impaired LV function'. He was taken up for 'PTCA and Stenting of LAD' on 21.4.2004.

All that information was pertaining to the deceased life assured ill-health; and it was much prior to his proposals for insurance dated 18.8.2011 and 16.11.2011. Based on the documentary evidence submitted by the insurer, i.e. the copy of Discharge Summary, it is very clear that there was non-disclosure of material facts by the life assured and the insurance policies were secured fraudulently.



The contentions of the complainant that (i) the policies were taken as an investment, (ii) copies of the policy documents were not given to him, and (iii) the deceased life assured had disclosed his ill health particulars to the bank officials - do not deserve any consideration. Neither the complainant nor the brother of deceased life assured was present when the proposals were signed. The allegation that the policies were given in spite of life assured having revealed his health condition, was not supported with any cogent evidence. On the other hand, the background of the life assured and the fact that he signed the proposals in English go against him.

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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.

As such, repudiation of death claim under the policies was on valid grounds and the decision of insurer does not need any interference.

In view of what has been stated above, the complaint is dismissed without any relief.

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Hyderabad Ombudsman Centre  
Case No. L-21-001-999/2012-13

Mrs. Rajamma  
Vs  
LIC of India, Bangalore-II

Award Dated : 17.12.2013

Mrs. Rajamma wife of late Mr. S. Jayaramiah filed a complaint that death claim under two of the insurance policies of her husband was unreasonably repudiated by the insurer, i.e. LIC of India, Bangalore-II division; hence, she requested for settlement of the same.

On careful consideration of the contentions of both the parties and the documentary evidence adduced by them, it was noticed that the complainant was a permanent employee of Dr. Ambedkar Institute of Technology, Bangalore. He was having total 6 (six) insurance policies on his life. All the six policies were issued by the L.I.C. of

**India, Bangalore Division-II. They were issued under the monthly mode of Salary Savings Scheme and the premium for the policies was recovered from his salary every month. As such, while considering the risk under the policies in question, it was not difficult for the insurer, having a vast data network, to find out from their records whether any previous insurance existed on his life.**

**Further, on a close scrutiny of the papers submitted by the insurer, it was noticed from the status reports pertaining to all the six policies held by the deceased life assured, the Agent who canvassed for insurance was one and same for all the six policies, viz. N.R.Jayalakshmi, Agency Code No. 71761D of LIC of India, Yeshwanthpur Branch. As such, it was not fair and proper on the part of the insurer to repudiate the death claim under these policies, particularly on the ground of non-disclosure of previous insurance particulars. The sum assured under both the policies was also considerably low and as such, it is not fair to attribute fraudulent intentions to the deceased. In my view, the deceased would have taken it that the insurer was already aware of all his policies.**

**In my considered view, there must be a definite role of the Agent who had actively canvassed and induced the complainant to take these policies. The insurer did not submit the action taken against their agent who introduced the deceased. As such, repudiation action of the insurer was not justifiable by throwing entire blame on the deceased life assured and penalizing his legal heirs for his alleged mistakes, after his death.**

**In view of what has been stated above, the complaint is allowed, and the insurer is directed to settle the death claim in favour of the complainant, under both the policies as per policy conditions.**

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**Hyderabad Ombudsman Centre  
Case No. L-029-1314-0088/2013-14**

**Mrs. Chavali Sarojini  
Vs  
LIC of India, Machilipatnam**

**Award Dated : 23.12.2013**

**Mrs. Chavali Sarojini wife of late Mr. Ch. Ravikumar filed a complaint that death claim under the policy of her deceased husband was wrongly repudiated by LIC of India, Machilipatnam Division; hence, she requested for settlement of the same.**

**On careful consideration of the contentions of both the parties and the documentary evidence adduced by them, it was observed that the deceased life assured had availed sick leave on many times and he took treatment from Dr. N. Sesaiah, Professor, Guntur Medical College from 6.12.2005. Further, he had consulted that doctor on 17.12.2005, 18.2.2006, 23.2.2006, 11.3.2006, 26.4.2006, 15.5.2006, 12.10.2006, 19.2.2007 and 22.7.2010 for 'Gall bladder stones & Cholelithiasis'. As per the Ultra Sonography of Abdomen Report dated 6.12.2005, it was confirmed that he was having "Left Renal Calculus, Cholelithiasis and Fatty infiltration in Liver".**

**As such, it was evident from the above that the deceased life assured was having pre-existing diseases on the date of his proposal, i.e., on 27.3.2010, and he obtained the policy with a fraudulent intention.**

**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 'personal health history' in his proposal for insurance, the insurer cannot be made liable to pay the sum assured.**

**As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.**

**However, since the death of life assured happened within 9 months of the policy, there must be a definite role of the Agent who must have actively canvassed and induced him to take the policy though he was ineligible for it. As such entire blame can not be thrown on the deceased life assured alone and penalizes his heirs on his demise. Hence, it would be**

appropriate to compensate the complainant with refund of the premium received under the policy.

In view of what has been stated above, the complaint is partly allowed and the insurer is directed to refund the premium received under the policy, under ex-gratia to the complainant.

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Hyderabad Ombudsman Centre  
Case No. L-21-009-071/2013-14

Mrs. Nirmala Prakash Walikar  
Vs  
Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 23.12.2013

Mrs. Nirmala P. Walikar wife of late Mr. Prakash Vithob Walikar had filed a complaint that death claim under the policy of her deceased husband was wrongly repudiated by the insurer, i.e. Bajaj Allianz Life Insurance Company Limited; hence, she requested for settlement of the claim.

On scrutiny of the evidence submitted by the insurer in support of their contention, it was noticed that they had submitted a Xerox copy of the village accountant register only and concluded that the life assured died on 9.2.2012, i.e. prior to the date of proposal. Since conclusion of the insurer as to the correct date of death was not based on certification by appropriate authority, the insurer was asked to submit a fresh death certificate in accordance with their contention. Subsequently, this office received fresh evidence from the insurer, in the form of a Death Certificate dated 11.10.2013 issued by the Registering Officer of Births & Deaths, Baradola, stating the correct date of death of the deceased life assured late Mr. Prakash Walikar as 9.2.2012. His death was registered in their records vide Registration No. 02 dated 15.2.2012.

The aforesaid documentary evidence submitted by the insurer clearly establishes the fact that the life assured died on 9.2.2012 and not on 3.7.2012; and on the date of

proposal for insurance, i.e. on 29.2.2012, the life assured was not alive. It is very much evident that the insurance policy was secured fraudulently.

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 policy contract itself was based on fictitious documents there was no contract at all; as such, the insurer cannot be made liable to pay the sum assured.

Hence, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.

In view of what has been stated above, the complaint is dismissed without any relief.

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Hyderabad Ombudsman Centre  
Case No. L-21-002-355-2013-14

Sri Sharangowda B Patil  
Vs  
SBI Life Insurance Co. Ltd.

Award Dated : 27.12.2013

Mr. Sharangowda B Patil filed a complaint that the death claim under the policy of his deceased sister was not settled by the insurer, i.e. SBI Life Insurance Company Limited; hence, he requested for settlement of claim in favour of the nominee.

On the other hand, representative of the insurer vehemently argued that as per the Schedule III, Clause 10 of policy terms and conditions, if the life assured commits suicide within one year from the commencement of risk, the policy will be void and no claim was payable. Since the life assured died due to 'suicide', they repudiated the death claim under the policies, as per the conditions of policy. Further, the life assured did not disclose the treatment she took for mental disorder from 12.10.2008 to 23.3.2009.

On careful consideration of the contentions of both the parties and the documentary evidence adduced by the insurer, it was noticed that (i) though the insurer was arguing that the diseased life assured committed 'suicide', neither they could submit any direct evidence confirming the death of the life assured as 'suicide' nor there was any eye witness to the event, (ii) all the reports pertaining to train accident, could not confirm

even the identity of the train that caused death of the life assured and (iii) no letter was left by the deceased life assured that she was committing 'suicide'. Because of the aforesaid reasons, in my considered view, the evidence is not sufficient to conclude that the life assured had committed 'suicide'.

The other point argued by the insurer was that the deceased life assured did not furnish information about her mental disorder in the proposal. In support of this argument, all the evidence the insurer could submit was a piece of prescription paper from Dr. Alok N.Ghanate, MD (Psy), Gulbarga, stating as 'Discharge Summary' pertaining to the deceased life assured. It was stated therein that the deceased life assured was admitted on 12.10.2008 and was discharged on 23.3.2009. To corroborate the evidence further, the insurer was asked during the hearing to show the prescriptions or treatment given to the life assured during that lengthy period. However, the insurer could not reply to that question.

Apart from the aforesaid observations, it was noticed that while taking the policy, deceased life assured had paid a single premium of Rs. 3 lakhs for the policy period of 7 years. Had there been any fraudulent intention of the life assured, she would not have paid the entire premium of Rs. 3 lakhs as one time payment for the sum assured of only Rs. 344,000/-.

In view of the aforesaid reasons, in my considered opinion there was no fraudulent intention of the deceased life assured in obtaining the policy. As such, denial of refund of premium under the policy was not justified on the part of the insurer.

In view of what has been stated above, the insurer is directed to refund the premium received under the policy no.35020196810, under Ex-gratia, in favour of the nominee.

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**Hyderabad Ombudsman Centre  
Case No. L-046-1314-0081/2013-14**

**Mrs. Thonupunuri Manemma  
Vs  
TATA AIA Life Insurance Co. Ltd.**

**Award Dated : 27.12.2013**

**Mrs. Thonupunuri Manemma wife of late Mr. T. Nagabhushanam filed a complaint that the death claim under two policies of her deceased husband was wrongly repudiated by the insurer, i.e. TATA AIA Life Insurance Company Limited; hence, she requested for settlement of the same.**

**On careful consideration of the contentions of both the parties and the documentary evidence adduced by them, it was noticed from both the proposals dated 2.3.2012 and 28.3.2012 that while answering to the Step No.8, i.e. current insurance details of the policies held with TATA AIA Life Insurance Company or any other insurance company, the life assured had answered as 'NO', which was a wrong statement. On the date of proposals for these policies, the deceased life assured was already covered under 6 (six) individual insurance policies from 4 different insurers for a total sum assured of around 15 lakhs. Further, in the said proposals, he had stated his annual income as Rs. 1.5 lakh. Had the insurer been aware of the fact that the life assured had already secured other policies, considering his income, these policies would not have been issued. Hence, it was evident from the above that the deceased life assured had obtained the policies with a fraudulent intention.**

**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 'previous insurance particulars' in his proposals for insurance, the insurer cannot be made liable to pay the sum assured.**

**As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.**

**However, it was noticed from the records that these two policies were sourced through a single agent and at least that agent must have furnished the particulars of the**

first policy while proposing for the second policy. As such, there must be a definite role of the Agent who must have actively canvassed and induced the life assured to take these policies though he was ineligible to take the same. The insurer cannot put the entire blame on the life assured. Hence, in my considered view, it would be appropriate to compensate the complainant with refund of the premium received under the second policy.

In view of what has been stated above, the complaint is partly allowed and the insurer is directed to refund the premium received under the second policy i.e. C196962626, under ex-gratia to the complainant.

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Hyderabad Ombudsman Centre  
Case No. L-029-1314-0195

Mrs. K. Suvarnamma  
Vs  
LIC of India, Hyderabad Division

Award Dated : 06.01.2014

Mrs. Kottam Suvarnamma wife of late K. Raghunath Reddy filed a complaint that the death claim under the policy of her deceased husband was wrongly repudiated by the LIC of India, Hyderabad Division. Hence, she requested for settlement of the same.

I have considered the written contentions in conjunction with the documentary evidence placed by the parties and the arguments put forth by them during the hearing. It is seen from the copies of prescriptions of Dr V.Muralidhar, Family Physician, Fort, Kurnool and the clinical and pathological reports from Medi Lab, Shantinagar, Kurnool – pertaining to the deceased life assured for the period from 2005 to 2012, that the life assured was suffering from 'diabetes mellitus' since 2005 and he was undergoing treatment for the same. Since the proposal for insurance was submitted by him on 4.3.2010, based on the aforesaid documentary evidence it is proved that there was concealment of pre-existing disease.

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 proposal for insurance, the insurer cannot be made liable to pay the sum assured.



However, since the policy had run for a substantial period and that the evidence of pre-existing disease, i.e., medical prescriptions and investigation reports, were supplied by the complainant, considering the facts and circumstances of the case, in my considered opinion it is a fit case to grant refund of premium received on the policy, under ex-gratia to the complainant

In view of what has been stated above, the insurer is directed to refund the premium received on the policy under Ex-gratia, to the complainant.

In the result, the complaint is partly allowed.

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Hyderabad Ombudsman Centre  
Case No. L-025-1314-0025

Mrs. V. Aparna  
Vs

ING Vysya Life Insurance Co. Ltd.

Award Dated : 07.01.2014

Mrs. Veturu Aparna wife of late Mr. Veturu Ramaiah filed a complaint that the death claim under the policy of her deceased husband was wrongly repudiated by the insurer, i.e., ING Vysya Life Insurance Company Limited; hence, she requested for settlement of the same.

I have considered the written contentions in conjunction with the documentary evidence placed by both the parties and the arguments put forth by them during the hearing. It is seen from the copy of a Card No. BP11017275 issued by RDT Hospital, Bathalapalli, that the same was issued in the name of one RAMAIAH, Chukkaluru Village, Tadipatri Mandal, Anantapur District. The Date of Birth was mentioned as 10.9.1976, and for the column of Guardian- it was mentioned as OBULESU, LAXMAMA. This is the only documentary evidence submitted by the insurer to show that the deceased life assured had pre-existing disease on the date of taking policy. However, as contested by the complainant, the name of father and date of birth mentioned therein were differing with the particulars of deceased life assured. To strengthen the argument, the complainant had submitted a copy of the certificate from R.D.T. Hospital, Bathalapalli, Department of Infectious, stating that one Mr. RAMAIAH S/o Obulesu, Age: 35, Male, had visited their hospital during the months of 4/2012 and 8/2012

and was treated. No other details were available to counter check whether it pertains to the deceased life assured.

During the hearing, representative of insurer requested for further time to submit necessary evidence from the RDT Hospital, that the evidence submitted by them in the form of Patient Card on the name of RAMAIAH was pertaining to the deceased life assured. But, the time the insurer had already taken to submit their reply on the complaint itself was more than 5 months; and even if the request of insurer is acceded to, there is little scope for the hospital to give different certificate, as the hospital authorities can not alter their record which was already certified by them. As such, there would not be any difference in the name of father of the patient, and it would not be of any help to the insurer. The insurer had failed to establish the pre-existing disease of the deceased life assured; and they had hastily and erroneously repudiated the death claim of the complainant, without verification of the particulars appeared on the Patient id card which was submitted by them in support of their decision.

In view of what has been stated above, the insurer is directed to settle the death claim under the policy in favour of the complainant, as per the policy contract.

In the result, the complaint is allowed.

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Hyderabad Ombudsman Centre  
Case No. L-029-1314-0224

Mrs. P. Pushpavathi  
Vs  
LIC of India, Cuddapah Division

Award Dated : 17.01.2014

Mrs. Penikalapati Pushpavathi wife of late Mr. P. Sreenivasulu filed a complaint that the death claim under the policy of her deceased husband was wrongly repudiated by the insurer, i.e.

LIC of India, Cuddapah Divisional Office. She preferred an appeal to the claims review committee to reconsider their decision but did not get any relief.

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

The Discharge Summary of Sri Satya Sai Institute of Higher Medical Sciences, Puttaparthi dated 31.08.1999 contains notings that the insured was admitted on 27.08.1999 for Coronary Heart Disease and was discharged on 31.08.1999. He took the policy in 02/2008. The filled in Proposal form dated 14.02.2008 containing some questions on Personal History i.e. Qn. No.11 wherein the insured has not given any information regarding the above treatment. He has given answers in affirmative that he had never been to any hospital or nursing home for General check up, observation, treatment or operation. He also stated that he did not suffer with any ailments pertaining to Stomach, Heart, Lungs, Kidney, Brain or Nervous system.

This clearly establishes that there was an intentional Misrepresentation and suppression of material facts. I do not find any reason to interfere with the decision of the insurer in repudiating the claim.

In result, the complaint is dismissed.

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Hyderabad Ombudsman Centre  
Case No. L-036-1314-0206

Mrs. Bommagani Uma  
Vs  
Reliance Life Insurance Company Ltd.

Award Dated : 17.01.2014

Mrs. Bommagani Uma wife of Mr. Upendar Goud filed a complaint that the death claim on the insurance policy of her brother was wrongly repudiated by the insurer, i.e. Reliance Life Insurance Company Limited. Hence, she requested for settlement of the same.

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

Insurer has repudiated the claim on the ground of non-disclosure of pre-existing medical condition of the deceased life assured with regard to "Tuberculosis and HIV". The insurer had relied solely on the supporting document by submitting a copy of the Treatment card of the Revised National Tuberculosis Control Programme, Nalgonda.

Further, the insurer tried to justify their repudiation stand, based on the affidavit in English language given by the wife of the deceased life assured. The insurer was given sufficient time to submit the cogent/corroborative evidence in the form of discharge summaries obtained from the hospital along with the original affidavit. In spite of giving time, the insurer failed to submit any cogent evidence. Instead, the insurer came out with a plea that the claim file was missing at their end and it could not be traced out. The affidavits dated 16.01.2014 received from the nominee and wife of the deceased life assured are pointers to the questionable motive of the insurer in securing affidavit in English from the wife of the deceased life assured. It is clear that the insurer took wrong affidavits to build up their case to repudiate the claim. In the absence of proper supporting evidence, the insurer shouldn't have repudiated the claim.

In view of the aforesaid reasons, I hereby direct the insurer to settle the claim of the complainant, in terms of the policy conditions.

In the result, complaint is allowed.

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Hyderabad Ombudsman Centre  
Case No. L-032-1314-0222

Mrs .Muradhbi  
Vs

Max Life Insurance Co. Ltd.

Award Dated : 12.02.2014

Mrs.Muradhbi filed a complaint stating that the death claim under the policy of her deceased husband was wrongly repudiated by max Life Insurance Company Ltd; hence, she requested for settlement of the claim.

On a careful consideration of the written and oral submissions of both party and the documentary evidence adduced, it is observed that the insurer had repudiated the claim vide letter dated 08.05.2013 stating that the policy was issued on 10.10.2009 ignorant of the fact that the deceased life assured expired on 08.10.2009. However, it is seen that the policy schedule is very clear and has given the date of effective coverage as 06.10.2009.

The contract of insurance is one of 'utmost good faith' and both parties have to abide to the terms and conditions of the contract. The proposer took the policy and has

remitted the instalment premium and the insurer, in turn, has agreed to undertake the risk from 06.10.2009. The insurer is now under an obligation to settle the claim.

In the circumstances, in my considered view, it would be appropriate to settle the claim amount under the policy.

In view of the above stated reasons, I direct the insurer to settle the claim money under the policy, to the nominee/complainant.

In result, the complaint is allowed.

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Hyderabad Ombudsman Centre  
Case No. L-006-1314-0249

Mr.Sharanappa  
Vs  
Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 13.02.2014

Mr.Sharanappa filed a complaint stating that the death claim under the policy of his deceased father was wrongly repudiated by Bajaj Allianz Life Insurance Company Ltd. Hence, he requested for settlement of the claim.

On a careful consideration of the written and oral submissions of both the parties and the documentary evidence adduced, it is observed that the insurer had repudiated the claim for taking insurance policy on pre-deceased person. Insurer relied solely on the fake death certificate. It is evident from these certificates that the date of death is 06.12.2012 in all these three different certificates whereas the policy was taken on 26.07.2012. Insurer has failed to provide the necessary evidence to prove that the deceased life assured pre-deceased before taking the policy.

The contract of insurance is one of 'utmost good faith' and both the parties to the contract shall disclose all facts, whether material or not, in full, to the other. Since the insurer could not produce any evidence to establish the death of the deceased life assured before taking the policy, the claim cannot be repudiated.

In view of the above stated reasons, I direct the insurer to settle the claim in terms of the policy, to the nominee/complainant. In result, the complaint is allowed.

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**Hyderabad Ombudsman Centre  
Case No. L-029-1314-0302**

**Mrs Yashodabai P.Sugandhi  
Vs  
LIC of India, Raichur**

**Award Dated : 20.02.2014**

**Mrs Yashodhabai P Sugandhi, nominee filed a complaint stating that the death claim of her deceased daughter was wrongly repudiated by LIC of India, Raichur. Hence, she requested for settlement of the same.**

**On a careful consideration of the written and oral submissions of both the parties and the documentary evidence adduced, it is observed that the insurer had repudiated the claim for taking insurance policy by suppression of the material facts i.e. congenital heart disease and details of previous policies. It is evident from the prescriptions of Dr B.Vaijanath Dongapure dated 15.07.2010, 16.07.2010 & 17.07.1010 and report of Nidhi Clinical Laboratory dated 10.07.2010 that the deceased life assured was diagnosed and treated for ASD (Atrial Subtal Defect) i.e. congenital heart disease before taking the policy. Moreover, the non-disclosure of previous policy details in the proposal form resulted in issuance of this policy. Had those details been disclosed, the insurer would not have issued this policy as maximum insurance permissible for unmarried lady aged 36 years under non medical is Rs. 2 lakhs only. It is a common practice to give the death intimation to the insurer for all policies at a time whereas in this case it was given on different dates which shows the malafide intentions of 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 insured did not disclose the past history of illness & treatment particulars and the details of previous insurance policies to the insurer, the claim was rightly repudiated.**

**In view of the above stated reasons, I do not find any reason to interfere with the decision of the insurer.**

**In result, the complaint is dismissed.**

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**Hyderabad Ombudsman Centre  
Case No. L-11-41-1314 -279**

**Smt Sana Rangamma T,  
Vs  
SBI Life Insurance Co. Ltd.**

**Award Dated : 14.03.2014**

**Smt Sana Rangamma T, nominee filed a complaint stating that the death claim under the policy of her deceased husband was wrongly repudiated by the insurer. Hence, she filed a complaint for settlement of the claim.**

**On a careful consideration of the written and oral submissions of both the parties and the documentary evidence adduced, it is observed that the insurer had repudiated the claim for taking insurance policy suppressing the material facts and for misrepresentation. It is evident from the Report of Keerti laboratory and the discharge summary of Kasturba hospitals, Manipal dated 22.01.2006 that the deceased life assured was diagnosed as suffering with "Ankylosing, Spondylitis, Diabetes Mellitus, Alcoholic liver diseases, Hypertriglyceridemia". The fact of not disclosing the past history of diabetes in the declaration of good health form proves that there was a deliberate suppression of material facts.**

**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 insured did not disclose the past history of disease, the claim was rightly repudiated by the insurer.**

**In view of the above, I do not find any reason to interfere with the decision of the insurer.**

**In result, the complaint is dismissed.**

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**Hyderabad Ombudsman Centre  
Case No. HYD- L-029-1314-0052**

**Mrs N.Geetha  
Vs  
LIC of India, Mysore**

**Award Dated : 25.03.2014**

**Smt N.Geetha, nominee had filed a complaint stating that the death claim under the policies of her deceased husband was wrongly repudiated by LIC of India, Mysore. Hence, she requested for settlement of the same.**

**On a careful consideration of the written and oral submissions of both the parties and the documentary evidence adduced, it is observed that the insurer had repudiated the death claim, on the ground that the insurance policy had been secured, suppressing the material facts. It is evident from the reports of GSM Hospital, Mysore and BGS Apollo Hospital, Mysore that the deceased life assured had past history of Hypertension and UTRI. Non-disclosure of the treatment details of past history for hypertension tantamounts to suppression of material information in the declaration of good health form.**

**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 insured did not disclose the past history of his disease, the claim was repudiated by the insurer. All the same, the role of the agent in filling up the proposal form and in suppressing material facts, is evident. Therefore, putting entire blame for suppression of material facts entirely on the insured may be too harsh a step.**

**In view of the above, particularly considering the fact that the agent might have not disclosed to the insurer and, the policy has run for two years, I am inclined to direct the insurer to refund the premiums paid under the policy.**

**In result, the complaint is allowed in part as an ex-gratia.**

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**Hyderabad Ombudsman Centre  
Case No. L-045-1314-0267**

**Mr.Mallappa**

**Vs**

**Star Union Dai-ichi Life Insurance Co Ltd**

**Award Dated : 26.03.2014**

**Mr. Mallappa, nominee had filed a complaint stating that the death claim under the policy of his deceased father was wrongly repudiated by Star Union Dai-ichi Life Insurance Company Ltd; hence, he requested for settlement of the claim**

**On a careful consideration of the written and oral submissions of both the parties and the documentary evidence adduced, it is observed that the insurer had repudiated the claim for taking insurance policy by suppressing the material facts and for misrepresentation. It is evident from the Income Tax Returns that the documents were manipulated and fraud was committed. The Income Tax Returns of the son of deceased life assured were shown as those of the insured person with an intention of taking insurance policy. The complainant and insurer, both, are not disputing the fact that there was a fraud. The fact of not disclosing the correct sources of income and manipulating the records proves that there was a non-disclosure of material fact. Moreover, as the death occurred within a year, it attracts the provisions of section 45 of the policy.**

**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 insured did not disclose the source of his income, the claim was rightly repudiated by the insurer.**

**In view of the above, I do not find any reason to interfere with the decision of the insurer.**

**In result, the complaint is dismissed.**

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**Hyderabad Ombudsman Centre  
Case No. L-029-1314-0118**

**Mr. Piraji Vithal Patil  
Vs  
LIC of India, Belgaum**

**Award Dated : 28.03.2014**

**Mr Piraji Vittal Patil, appointee, had filed a complaint stating that the death claim under the policy of his deceased brother was wrongly repudiated by LIC of India, Belgaum. Hence, he requested for settlement of the same.**

**On a careful consideration of the written and oral submissions of both the parties and the documentary evidence adduced, it is observed that the insurer had repudiated the claim for taking insurance policy by suppressing the material facts and for misrepresentation. It is evident from the summary sheet of K.L.E. Society's Prabhakar Kore Hospital & Medical Research Centre, Nehrunagar, Belgaum that the deceased life assured was diagnosed for left limb DVT with RVD and was under treatment from 27.11.2007 to 03.12.2007 in the hospital. The fact of not disclosing the previous medical history and suppression of this information in the declaration of good health form proves that there was a non-disclosure of material fact.**

**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 insured did not disclose the past medical history of AIDS, the claim was rightly repudiated by the insurer.**

**In view of the above, I do not find any reason to interfere with the decision of the insurer.**

**In result, the complaint is dismissed.**

**Hyderabad Ombudsman Centre  
Case No. L-029-1314-0111**

**Mrs Kashavva Dundappa Mattikoppa  
Vs  
LIC of India, Belgaum**

**Award Dated : 28.03.2014**

**Mrs.Kashavva Dundappa Mattikoppa, nominee, had filed a complaint stating that the death claim under the policy of her deceased husband was wrongly repudiated by LIC of India, Belgaum; hence, she requested for settlement of the same.**

**On a careful consideration of the written and oral submissions of both the parties and the documentary evidence adduced, it is observed that the insurer had repudiated the claim for taking insurance policy by suppressing the material facts and for misrepresentation. It is evident from the summary sheet of KLES Heart Foundation (K.L.E. Society's Prabhakar Kore Hospital & Medical Research Centre), Nehrunagar, Belgaum that the deceased life assured underwent successful PTCA with stenting to mid LAD on 19.07.2008. He took treatment from 12.07.2008 to 22.07.2008 in the hospital. The fact of not disclosing the previous medical history and suppression of this information in the Proposal form proves that there was a non-disclosure of material fact. From the documents on file, it is very clear that the deceased life assured was literate enough to sign the proposal in English. Therefore, I am not inclined to accept the argument of the complainant that the entire blame for non-disclosure of material facts was attributable to the agent. I agree with the insurer that there was suppression of material facts by the deceased life assured.**

**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 insured did not disclose the past medical history of Heart disease, the claim was rightly repudiated by the insurer.**

**In view of the above, I do not find any reason to interfere with the decision of the insurer.**

**In result, the complaint is dismissed.**

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**Hyderabad Ombudsman Centre  
Case No. L-032-1314-0245**

**Mrs. A.Hymavathi  
Vs  
Max Life Insurance Co. Ltd.**

**Award Dated : 06.01.2014**

**Mrs. A.Hymavathi, appointee and mother of deceased life assured filed a complaint stating that the death claim under the policy of her deceased daughter was wrongly repudiated by Max Life Insurance Company Ltd. Hence, she requested for settlement of the claim.**

**On a careful consideration of the written and oral submissions of both the parties and the documentary evidence adduced, it is observed that the insurer had repudiated the claim for non-disclosure of past medical history in the proposal for insurance. As per the Attending Physician's statement dated 4.3.2013, issued by Assistant Professor, Dept. of Medicine, Government General Hospital, Guntur, the deceased life assured consulted their hospital on 16.2.2012 and was diagnosed as a case of 'CVA with RVD' since 3 years on medication, and Meningitis. Her past medical history was revealed as "HIV since 3 years". As such, on the date of her application for insurance, i.e., 3.3.2010, she was suffering with the said ailment and by suppressing that information she had obtained the insurance policy.**

**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 deceased life assured did not disclose the material information with regard to her actual health condition in her proposal for insurance, insurer cannot be compelled to settle the claim under the policy.**

**In view of the above stated reasons, repudiation of claim of the complainant by the insurer was in accordance with the terms of the policy contract.**

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

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**Hyderabad Ombudsman Centre  
Case No. L-029-1314-0395  
Mrs. U.Parvathamma  
Vs  
LIC of India, Cuddapah**

**Award Dated : 28.03.2014**

**Mrs. U.Parvathamma had filed a complaint that the death claim under the policy of her deceased husband was wrongly repudiated by LIC of India, Cuddapah; hence, she requested for settlement of the same.**

**On a careful consideration of the contentions placed on record by both the parties and the arguments put forth by them during the hearing, I find from the Medical Attendant's Certificate dated 19.3.2012, issued by Dr. R. Vijaya Kumar of Vijaya Health Centre, Chennai, that the deceased life assured was suffering with 'Diabetes Mellitus' for 10 years and 'Hypertension' for 10 years. Further, the cause of death was stated in the said certificate was 'Chronic Kidney Disease' which was very much related to his pre-existing diseases.**

**In view of the aforesaid information and the fact that the proposal was signed by the life assured on 28.7.2010, i.e., subsequent to knowing his diseases, it was established that the deceased life assured had intentionally concealed his pre-existing diseases. It was also found that the deceased life assured did not mention his previous policy no. 652523010 in his proposal, and had he furnished the same he was uninsurable with the age of 51 years.**

**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 'personal health history' and previous policy particulars in his proposal for insurance, the insurer cannot be made liable to pay the sum assured.**

**As such, repudiation of death claim under the policy was on valid grounds and the decision of insurer does not need any interference.**

**However, the complainant argued that the deceased life assured was illiterate and he might not know what exactly was furnished in his proposal, there must be a definite role of the Agent who must have actively canvassed and induced him to take the policy though he was ineligible for it. As such entire blame cannot be thrown on the deceased**

life assured alone and penalizes his heirs on his demise. Hence, it would be appropriate to compensate the complainant with refund of the premium received under the policy.

In view of what has been stated above, the complaint is partly allowed and the insurer is directed to refund the premium received under the policy, under ex-gratia to the complainant.

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KOCHI \*

**OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI**

Complaint No. IO/KCH/LI/21-001-128/2012-13

Rosamma Antony

Vs

LIC of India

**AWARD No. IO/KCH/LI/81/13-14 dated 09.10.2013**

The complaint relates to Policy taken on the life of late Santhosh P.A. Complainant is the widow of deceased Life Assured. On the death of the Life Assured, the complainant submitted a claim seeking death benefits under the policy. The claim was repudiated by the Insurer. Therefore, the complaint.

The insurer submitted that the policy taken by the deceased LA lapsed twice and on both occasions, the policy was revived on the strength of the Personal Statement regarding Health submitted by him. The first revival was on 24.02.2009 and the second on 30.10.2010. Even prior to the submission of the Personal Statement regarding Health on 24.02.2009, he was diagnosed with Diabetes Mellitus and was undergoing treatment for the same. In the Personal Statement regarding Health made by the complainant, he had not disclosed his actual health status. The primary cause of death of the Life Assured is also Diabetes Mellitus. So, there is suppression of material fact in the Personal Statement regarding Health submitted by the complainant for revival of the policy. The revival of the policy is vitiated and therefore, the death claim was validly repudiated by the Respondent-Insurer. Paid-up value after adjusting the Survival Benefits already provided to the Life Assured had been paid to the complainant.

**Decision:-** In the medical certificates, the Primary cause of death is noted as DM and secondary cause of death is noted as Cerebro Vascular Accident. It is further noted in the Certificate that the immediate cause of death is Diabetes Mellitus and the Life Assured was taking treatment on the advice of a local Physician. The Insurer had produced a Certificate issued by Dr.Shaji attached to Disease Helpline Centre, Alappuzha. Here it is stated that the Life Assured was under his treatment for Diabetes Mellitus since 27.01.2009. The first declaration submitted by the Life Assured for revival of the policy is

dated 24.02.2009. The second declaration is dated 20.10.2010. So, he had been suffering from Diabetes Mellitus even prior to the submission of the first declaration for revival dated 24.02.2009. So, the answer given to Question No.2(a) in the personal statement is a false one. The declaration in the Personal Statement regarding Health, is in the form of a warranty as to the truthfulness of the contents of the statements submitted by the declarant. So, it is evident that there is suppression of fact relating to the actual health status of the LA in the statements submitted by him for revival of the policy. So, he had not acted in good faith. As the death was due to DM, suppression of DM suffered by the LA at the time of revival of the policy assumes much importance. In other words, the materiality of the fact suppressed assumes larger dimension in that circumstance. So, it can be concluded that the suppression relates to a material fact with knowledge which would amount to fraud. Fraud would vitiate the policy and revival. In such circumstances, the repudiation of the claim for death benefits is sustainable. The complainant had already been provided Paid-up value. The complainant is not entitled to any further relief. In the result, the complaint is dismissed.

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**OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI**

Complaint No. IO/KCH/LI/21-001-169/2012-13

Leela Avarachan

Vs

LIC of India

**AWARD No. IO/KCH/LI/91/13-14 dated 30.10.2013**

The complainant's husband had taken New Bima Gold policy from the Respondent-Insurer. He died in an accident on 06.04.2009. The complainant preferred a claim before the Insurer in time. The Insurer settled only the basic Sum Assured and Accident Benefit Sum Assured was rejected. Therefore, the complaint.

The complainant submitted that her husband was mainly engaged in agricultural work. During off-season, he used to go for other works for livelihood. On 03.04.2009, while he was engaged in painting work in a residential building, he fell down. He was rushed to hospital and died of injuries on 06.04.2009. The deceased Life Assured had not suppressed any material fact in the proposal form. The denial of the claim is against the policy conditions and evidence available.

The insurer submitted that the evidence available is to the effect that the accident took place while the Life Assured was engaged in the hazardous occupation of painting. In the proposal form, it is stated that his occupation is 'Agriculture'. Had he disclosed the fact that he was engaged in hazardous occupation, they would have charged extra premium

and added exclusion clause in the policy. Accident Benefit was denied based on policy conditions

**Decision:-** There is evidence that the Life Assured involved in an accident on 03.04.2009 and died on 06.04.2009. The apparent cause of death noted in the Inquest Report is injuries suffered due to fall while engaged in painting of a building. The Occupation of the deceased shown in the proposal is "Agriculture". Agricultural occupation is seasonal in nature. So, it is very common that agriculturists/agricultural labourers will engage in other works to earn their livelihood during off-season. Insurer had collected premium for Accident Benefit Rider. In the policy schedule, it is stated under sub-caption 'Accident Benefit Rider Option' that : "If option is exercised and the premium paid, the condition No.11 of 'Conditions and Privileges' will apply for an amount equal to the Accident Benefit Rider Sum Assured". In the proposal, there is no declaration to the effect from the side of the Life Assured that he will not engage in any occupation other than the occupation noted in the proposal form. It is well settled law that the rights and liabilities of the insured and the insurer will be governed by the policy conditions. No new provision can be incorporated into the policy conditions after its issuance. A close reading of Clause 11 would reveal that there is no mention in the policy provision which would state that the accident must be while the Life Assured is engaged in the occupation mentioned in the proposal form. All accidents except those specifically mentioned in exception Clauses (i) to (v) are covered under the policy. So, the denial of Accident Benefit to the complainant is not sustainable. In the result, an award is passed directing the Insurer to provide Accident Benefit (Rs.50,000/-) with cost of Rs.2,000/- 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.

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**OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI**

**Complaint No. IO/KCH/LI/21-001-183/2012-13**

**K Babu**

**Vs**

**LIC of India**

**AWARD No. IO/KCH/LI/97/13-14 dated 18.11.2013**

Ms. Jayasree, daughter of the complainant, had taken New Janaraksha policy from the Respondent-Insurer. She died of head injury on 13.03.2010. The claim submitted by the complainant was repudiated by the Respondent-Insurer alleging that his daughter died of Epilepsy. Therefore, the complaint.



**The complainant submitted that her daughter, who had taken the policy from the Insurer in 2008, fell down due to fever and drowsiness. She suffered head injuries and died on the same day. Post Mortem examination revealed that the death was due to head injury. The deceased Life Assured was not undergoing any treatment for Epilepsy. She never knew that she was suffering from that ailment and the death was not on account of Epilepsy. So, repudiation of the claim is irregular and illegal**

**The insurer submitted that in the proposal form submitted by the deceased Life Assured, she had not disclosed the fact that she had been undergoing treatment for Epilepsy. Suppression of pre-proposal illness in the proposal form is very material in nature and it had affected the underwriting of the proposal. There is sufficient medical evidence that even prior to the submission of the proposal form, the deceased Life Assured had been undergoing treatment for Epilepsy. Death was on account of Epilepsy and head injury suffered in the fall had led to her death. The repudiation is only to be upheld.**

**Decision:- Of course, there is a definite question in the proposal form relating to Epilepsy and other ailments. In support of the contention that the deceased Life Assured had not disclosed her pre-proposal illness in the proposal form, the Insurer is relying on Certificate of hospital treatment issued from MCH, TVM. In the said Certificate, it is stated that the Life Assured was brought dead to the hospital in the Medicine Casualty Department. It is specifically stated that no treatment was given to the Life Assured. It is also noted that the deceased was brought with a reference letter from Chelsa Hospital, wherein there is mention that the deceased had history of Epilepsy – two years. The alleged reference letter issued from Chelsa Hospital is not forthcoming. In the Medical Attendant Certificate issued from MC Hospital, it is stated that Ms. Jayasree was brought dead to the Medicine Casualty on 13.03.2010. There is no mention of the reference letter received from Chelsa Hospital and history of Epilepsy. So, from these documents, it is evident that there was no treatment given to the deceased Life Assured at MCH, TVM for Epilepsy or any other ailment. The Insurer is also relying on a prescription issued by Dr. G. Vijayan dated 18.06.2008. Therein it is noted that Tab. Topaz had been prescribed to Ms. Jayasree. The ailment for which the medicine had been prescribed is not noted in the prescription. So, those pieces of paper have no evidentiary value.**

**Topaz is an anticonvulsant medicine. It is also used to prevent migraine head aches. The evidence is to the effect that she was working as a High School Teacher till the previous day of her death. Even if it is assumed that the deceased Life Assured had been diagnosed with Epilepsy prior to submission of the proposal form, we have to consider whether the non-disclosure of the same in the proposal form is material and it had adversely affected the underwriting. Suppression of fact must be with knowledge and intention. There is no evidence that the deceased Life Assured had knowledge of Epilepsy prior to the submission of the proposal form. The Doctor who conducted the Post Mortem examination had opined that the death was due to head injury. Quite naturally, the head injury can be due to fall. Fall is an accident. There is no evidence at all that the fall was due to Epilepsy. In the so-called reference letter issued from Chelsa Hospital also, there is no mention that when she was brought to the hospital, she was provided treatment for**

**Epilepsy. In the reference letter, there is only mention that she had been suffering from Epilepsy for two years. So, there is no evidence that the fall was due to Epilepsy which according to the Insurer is a pre-proposal illness. So, the proximate cause of death is head injury. An identical situation came up for decision before the Hon'ble High Court in Binoma Vs State of Kerala – 2013(3) KLT 172. It was a case where the insured died due to drowning. In that decision, the Hon'ble High Court of Kerala opined that what has to be considered is not the cause of drowning but the cause of death. So also, in the instant case, we have to consider only the cause of death of the insured. Therefore, the discussion can be concluded by stating that the repudiation of the claim is not sustainable. When it is found that the repudiation of the claim is not sustainable, the complainant, who is the nominee under the policy, is entitled to receive the benefits under the policy. In the result, an award is passed directing the Insurer to provide all the benefits available under the policy to the complainant, within the prescribed period, failing which, the amount payable shall carry interest at 9% per annum from the date of filing of the complaint till payment is effected. No cost.**

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## **MUMBAI-DEATH CLAIM**

**Complaint No.LI- 1611 (2012-2013)**

**Complainant: Shri Madan Laxman More  
v/s.**

**Respondent: Life Insurance Corporation of India**

**Award dated 17.12.2013.**

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**Shri Chhotu Laxman More was sold Wealth Plus plan, policy no. 964211021 from Life Insurance Corporation of India on 31.03.2010 for sum assured of Rs.1,00,000/- by paying a single premium of Rs. 40,000/- .Shri Chhotu More expired on 31.05.2010 i.e. within 2 months from the date of commencement of risk under the policy .The nominee under the policy was his son Master Aashish and Appointee was his brother Mr. Madan More. When the claim was preferred by Mr. Madan More, the insurer repudiated the claim vide their letter dated 31.03.2011 on the grounds of non disclosure of material facts about his health.**

**During the deposition, Mr. Madan More stated that his late brother, Mr. Chhotu was working as Vegetable Vendor. He stated that his brother was not suffering from any illness prior to the date of the policy. The forum asked him whether his brother was admitted in the hospital, to this he stated that in 05/2010 his brother had fever with chills for which he was admitted in the hospital and after conducting necessary test, they came to know that he was not well. He submitted a copy of Laboratory Report form from Maharashtra State Aids Control Society and Anti Retroviral Treatment record which shows that he had taken treatment for HIV since 10.05.2010. He also submitted copies of Australia Antigen report dated 12.05.2010 and VDRL Test report dated 12.05.2010 of the deceased life assured.**

**The company representative submitted that on receipt of claim intimation, the company investigated the case and found that the deceased life assured was suffering from T.B and was undergoing treatment for the same prior to the date of proposal. LIC has obtained original T.B. card from Rural Hospital, Sakri dated 15.05.2010 which shows that he was treated for relapsed T.B. of organs other than lungs and for ART. The company representative stated that the duration of the policy was just 2 months and since the TB has relapsed in 05.2010, in all probability the deceased life assured was aware of the ailment suffered by him at the time of proposal. She stated that since the report about relapsed T.B. was given by Government Hospital, it is considered to be authentic and given due importance. She stated that the complainant has submitted Affidavit in lieu of Claim form B wherein it is stated that deceased life assured expired due to sudden death. She stated that even in Claim form A the cause of death is written as 'Sudden Death' though the deceased life assured was suffering from TB. She defended the decision of the insurance company.**

The entire documents submitted to the forum are taken on record. It is observed that the deceased life assured had taken treatment for Relpase-TB on 15.05.2010 and treatment given to him was Category II.

Category II treatment for T.B is recommended for retreatment or for relapse cases. Studies show that relapses occurred within 6-12 months of stopping the treatment. Since the death has taken place within 2 months from date of commencement of the policy, in all probability the deceased life assured might have suffered from T.B. and would have taken treatment for the same prior to the date of proposal. Hence in this case, the contention of the complainant that his brother had never suffered from any illness cannot be justified. It is also seen that the CD4 Count as on 13.05.2010 is 107 as per the Clinical Notes of Antiretroviral Treatment record. CD4 cells (sometimes called T-cells, or helper cells) are white blood cells that organize immune system's response to infections. The CD4 cell count of a person not infected with HIV can be between 500 cubic millimeters and 1500 cubic millimeter .HIV attacks these types of cells and uses them to make more copies of HIV. And in doing so, it weakens the immune system, making it unable to protect the body from illness and infection. Early in the course of the disease, the body can make more CD4 cells to replace the ones that have damaged by HIV. Eventually the body can't keep up and the number of functioning T-cells decreases. Without treatment, an HIV positive person's CD4 count will fall over time. A CD4 cell count between 200 and 500 indicates that some damage to the immune system has occurred. In this case it is seen that since the deceased life assured had CD4 Count of 107 as on 13.05.2010, hence it is difficult to accept that one and a half month prior to this test i.e. as on date of proposal he was in good shape of health. Under these circumstances, the answer "Good" given by deceased life assured to Q. 6(i) i.e. question relating to his usual state of health cannot be justified.

In view of the above, LIC cannot be faulted for denying the full sum assured to the claimant and I find no reason to intervene in the decision of repudiation by LIC.

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**Complainat No. LI- 2050 (2012-2013)**

**Complainant : Smt. Soniya Lad**

**V/s**

**Respondent: Life Insurance Corporation of India**

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**Award dated 11.10.2013**

**Shri Dhiraj Lad had purchased Jeevan Saral plan from Life Insurance Corporation of India Ltd. Shri Dhiraj Lad expired due to Epilepsy. The claim was preferred by his wife, Smt. Soniya Lad to Life Insurance Corporation of India Ltd. The Company repudiated the claim vide their letter dated 26.03.2012 on the grounds that the deceased had suppressed material information regarding his previous illness at the time of effecting the assurance.**

**The complainant Smt. Soniya Lad during the course of hearing submitted that her husband Mr. Dhiraj Lad expired on 18.07.2011 due to epilepsy at home. When she lodged the claim with LIC, it was rejected on the grounds that her husband was alcoholic and had availed of leave on medical grounds before the date of proposal. She stated that her husband did not suffer from any kind of illness prior to the date of proposal. She stated that her husband was working as a sweeper and had started taking alcohol since past 5-6 years prior to his death. She stated that he was admitted in Sahayog Hospital only once for treatment of epilepsy. He had also taken treatment from Dr.Shinde for some wound on his shoulder.**

**The documents submitted by both the parties to dispute have been taken on record.**

**It is observed that Mr. Dhiraj Lad was working for Satara Municipal Corporation as sweeper. He expired after 2 years from date of commencement of risk. In the instant case, the policy has been questioned after 2 years since the policy has been effective, hence the provisions of the second part of Section 45 of the Insurance Act, 1938 are applicable.**

**“No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected be called in question by an insurer on the ground that statement made in the proposal or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy-holder and that the policy-holder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose.”**

**Three conditions for application of 2nd part of Section 45 are –**

- (a) the statement must be on a material matter or must suppress facts which it was material to disclose; and**
- (b) The policy-holder must have known at the time of making the statement that it was false or that it suppressed facts which it was material to disclose.**
- (c) the suppression must be fraudulently made by the policyholder;**

**The repudiation of the claim by Life Insurance Corporation of India Ltd. was on the ground of suppression of fact that deceased life assured was Chronic Alcoholic and was suffering from Alcohol dependence Convulsions and was on medical leave as on date of proposal for treatment of some wound. Though the repudiation of claim done on the basis of leave taken by deceased life assured for treatment taken for wound can be overlooked as it does not have significant bearing on the underwriting aspect but the fact about his alcoholism is of serious nature which would have affected the acceptance of the risk. The Investigating Officer has stated in his statement that deceased life assured was taking treatment from Dr. Dabholkar for epilepsy however the doctor has not submitted duly completed Medical Attendant's Certificate - Claim Form- B to LIC. At the same time, LIC has also submitted a copy of Questionnaire completed by a Medical Practitioner dated 17.02.2012 who had treated the deceased life assured in the beginning of the last illness in which the doctor has stated that the deceased life assured was suffering from past 5-6 years from Alcoholism convulsions and this history was given to him by his wife. Mrs. Soniya Lad had also admitted during the course of hearing that her husband had started taking alcohol since past 5-6 years. Thus from the above evidences, it can be concluded that deceased life assured had full knowledge about his health ailment which he did not disclose truthfully and correctly to the Insurer and it was a material fact which would have affected the underwriting of his proposal . Thus the conditions (a) & (b) have been established by the Company.**

**As per the condition (c) , suppression must be fraudulently made by the policy-holder/proposer. 'Fraud'– according to Section 17 of the Indian Contract Act, 1872 (IX of 1872) means and includes inter alia any of the following acts committed by a party in a contract with intent to deceive another party or to induce him to enter into a contract.**

- 1. the suggestion, as a fact – of that which is not true by one who does not believe it to be true, and**

2. The active concealment of a fact by one having knowledge or belief of the fact.”

In the instant case, it is on record that the Life Assured was alcoholic which is also admitted by his wife and had health ailment related to alcoholism. However in the proposal form, he has given negative reply to Q. 11 (h) which relates to Alcohol consumption and the habit of taking tobacco in any form. There is also Medical Certificate dated 31.05.2010 which shows that deceased life assured was admitted on 26.05.2010 to 31.05.2010 for Alcohol Dependence with Convulsion. Had he disclosed these facts the insurer would have called for special reports and their underwriting decision could have been different? Hence the forum is of the opinion that deceased life assured had voluntarily withheld information which has significant bearing on the decision as regards acceptance of the risk.

Also in this case there is nexus between the cause of death and the suppressed information.

Under these circumstances, this Forum finds no valid reason to intervene with the decision of LIC to deny the claim .

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**Complaint No.LI- 241 (2012-2013)**

**Complainant: Smt. Niharika Khatu**

**v/s.**

**Respondent: Bajaj Allianz Life Insurance Company Ltd.**

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**Award dated : 06.01.2014**

Ms. Mohini Khatu had taken policy no. 0054577808 from Bajaj Allianz Life Insurance Company Ltd. on 18.06.2007 for Sum Assured of Rs.5,00,000/- . She expired on 12.12.2010 due to deep burns. The nominee under the policy is her nephew Master Neel Khatu and appointee is his mother Mrs. Niharika Khatu. When Mrs. Niharika Khatu lodged the claim with Bajaj Allianz Life Insurance Company Ltd., it was repudiated on the grounds that Ms. Mohini had not disclosed in the proposal form that she was divorcee since 1992 and had taken treatment for psychiatric illness after her divorce.

**Bajaj Allianz Life Insurance Company Ltd. has stated that they have evidences and reasons to believe that the above answers were false and she has not disclosed her correct marital status and ailments relating to her mental health in the proposal for insurance.**

**Bajaj Allianz Life Insurance Company Ltd. was represented by Mr. Uday Kumar Komaragirito. He submitted that on investigating the claim it came to light from the Jabab given by the cousin brother Mr. Swaroop of the deceased life assured to the police authorities that she was married 20 years ago and after 2 years of her marriage she developed mental illness and got divorced. She was taking treatment for her mental illness in Mumbai . He stated that this information was not disclosed in the proposal form. Ombudsman asked him whether the company has obtained Final Police Report, to this he said that they will make arrangements to get the same. On hearing the deposition of both the parties to dispute, Ombudsman directed the company to submit to the forum, a copy of Final Police Report..**

**On 30.12.2013, the company sent an email to the forum where in copy of Jabab given by father Mr. Manohar Khatu , mother Mrs. Nalini Katu, brother Mr. Nitin Khatu and sister Ms Kavita of the deceased life assured was attached along with Certificate from Dr. Sushil Nanaware dated 10.1.2011 and Final Summary of the case given by Sangameshwar , Police Station.**

**On 06.01.2014, the company informed the forum that they have made a payment of Rs. 214632.6/- on 22.11.2013 , being the fund value + interest under the policy in dispute. The entire documents submitted to the forum and the deposition of both the parties to dispute is taken on record. In the Jabab given by the father of Ms. Mohini Khatu , he has stated that 'his daughter, Ms. Mohini was married in 1995 but had psychiatric problems due to which her husband divorced her. She was prescribed tablets and injections by the doctor and was also given shock treatment. She attempted to commit suicide in 2007 and 2009 by consuming excess tablets but was rescued because of timely treatment. On 12.12.2010, due to mental imbalance, she poured kerosene on herself which was available in their house and set herself on fire. They do not have any doubts about her death.' The Jabab given by mother Mr. Nalini Khtau , sister Ms. Kavita Khatu and brother Mr. Nitin Khatu of the deceased life assured also confirms that she was mentally ill and had taken tablets , injection and shock treatment . They have also stated in the Jabab that she had attempted suicide twice on earlier occasions in 2007 and 2009 and she had set herself ablaze on 12.12.2010.**

**Dr. Sushil Nanaware –M.D. Psychiatry (Mumbai) has given certificate dated 10.01.2011 which states that "This is to state that Mrs. Mohini Khatu was undergoing treatment from my side from 03.08.2006 till 09.02.2010. She was diagnosed to suffer from Chronic Paranoid Schizophrenia. She was prescribed oral anti-psychotic medication as on last date of consultation with me viz 09.02.2010. This is for your information. She was not evaluated by me since 09.02.2010 due to absence of follow-up and hence considered a treatment drop-out from my side."**

**The Final Summary given by Police Authorities states that the relatives and the neighbours have confirmed that on 12.12.2010, Mrs Mohini Khatu was alone at home in the evening and in the state of Mental Imbalance poured kerosene on her body and set**



fire. Due to this she suffered 95% burns and expired. The Final Summary also establishes that deceased life assured was a divorcee; she had suffered from mental illness and had taken treatment from Dr. Sunil Nanaware for the same.

Thus from the above documentary evidences it is established that Mrs. Mohini Khatu was suffering from Psychiatric illness and had taken treatment for the same prior to the date of death. However this vital information was not shared by her with the insurer in the proposal form and thus has created breach of contract. The cause of death has nexus to the illness suppressed in the proposal form.

Under these circumstances the forum has no reason to intervene with the decision of the insurer in repudiating the claim under the policy held by the deceased life assured.

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**Complaint No. LI – 1657 (12-13)**

**Complainant: Smt. Sonali Deshmukh**

**V/s**

**Respondent : Life Insurance Corporation of India**

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**Award dated : 07.10.2013**

Shri Jagdish Deshmukh had taken policy no. 963164404 from Life Insurance Corporation of India for sum assured of Rs.125,000/-.The date of commencement of the policy is 11.11.2011. Shri Jagdish Deshmukh expired on 18.01.2012 due to heart attack . When the claim was preferred by his wife Smt. Sonali Deshmukh , Life Insurance Corporation of India repudiated.

LIC of India, stated that they had evidence and reasons to believe that he was known case of Acute Renal Failure, and was operated for ureteric calculus and hypertension since 2009 i.e. prior to the date of proposal. This information was not disclosed in the proposal for insurance. Has he disclosed this fact , their underwriting decision would have been different.

Aggrieved by their decision Smt. Sonali Deshmukh approached the Office of the Insurance Ombudsman seeking intervention in the matter for settlement of her claim.

After perusal of the records, parties to dispute were called for hearing on 27.09.2013 at 1.00 pm at Nashik Camp.

The documents submitted by both the parties to dispute have been taken on record.

On perusal of the proposal form, it is observed that all the questions relating to health of the life assured has been answered negatively which gave an impression to the insurer that he was in good health at the time of proposal. However the facts were to the contrary and LIC has submitted Certificate from Sunrise Hospital given by Dr. Vaibhav Patil which states that "This is to certify that Mr. Jagdish Deshmukh was admitted to Sunrise Hospital from 30.05.2011 to 10.06.2011 for Acute Renal Failure. He was operated for R. Ureteric

Calculus by Dr. Kishore Wani on 06.06.2011. He was found to be hypertensive since 2009."This information was not disclosed in the proposal for insurance.

In this case there is an issue to be addressed i.e. Whether there should be a nexus between the facts suppressed and cause of death? A very simple cursory answer to this question will be that there should be a nexus. But the fundamental insurance principles are otherwise. Life insurance goes by the principle of law of large numbers and law of probability. Insurers underwrite risks with proper diligence and they expect all lives taken for risk coverage will subscribe to the expected mortality and morbidity experience. Since life insurance contracts are long term contracts, the claim experience of the Insurers should go by the expected mortality experiences. No insurer expects a person insured by them to die an early death, unless such death is by an accident, caused by external violent and visible means. An insured person is not expected to get a disease in the early days (say the first 3 years) after taking an insurance policy and dying out of a disease in a hospital. In short, healthy persons should be given life insurance cover. It does not mean that persons who are not healthy cannot get insurance cover. Such persons will be given cover with some restrictions. They may have to pay a higher premium to get an insurance cover. Hence it becomes crucial, that while taking an insurance policy, the person should be honest and disclose all facts about his health. The person has not only a responsibility to answer all the questions in the application form truthfully, but he has also to tell all his previous medical treatments to the medical examiner of the insurance company, at the time of his pre-insurance evaluation. If at the time of happening of a claim, the insurance company comes to know of any suppression of previous medical treatment, the company can deny the claim even if the cause of death is not directly related to the suppressed medical history. But there can be a consideration by the insurance company in some cases, where if the death is by accident or the insurance cover is relatively of a small value or the disease that was suppressed is of such a nature that its effect will not last for a long period during the residual life of the insured person etc. Such cases are only far and few and insurer cannot be expected to take liability of early claims to a large extent. If in the claims operations of an insurance company, such an adverse claim experience happens, it will gradually affect the accumulation of life fund and it will be to the detriment of surviving policy holders. Hence the answer to the question whether there should be a nexus between cause of death and facts suppressed is definitely a 'NO.'

Thus though there is no nexus between renal failure and cause of death. i.e. Heart Attack , it is imperative for deceased life assured to have mentioned about his true health condition and hospitalization in the application for insurance. The assessment of risk can be accurately arrived at by the insurer only if the life to be assured reveals his actual physical condition in the proposal form. Insurance involves **pooling** funds from *many* insured entities (known as exposures) to pay for the losses that some may incur. The insured entities are therefore protected from risk for a fee, with the fee being dependent upon the frequency and severity of the event occurring. Insurance companies use a process called underwriting to decide whether to sell life insurance to someone and how much to charge them. The company will consider several factors, including age, gender, medical condition, and habits of the life to be assured. Younger applicants who are in good health will be charged lower premiums because the company expects that these policyholders will live longer and be able to make more premium payments. Older

applicants, applicants with health problems, will probably pay more because they have a shorter life expectancy. Had the deceased life assured disclosed the correct information about his health, the Insurer would have called for relevant medical reports and would have taken appropriate underwriting decision.

The Contract of Insurance is a Contract of Uberrima Fides and the parties to the contract should disclose all facts regarding his health and habits honestly. In case of failure, the other party to the contract can recede from the contract.

Thus LIC of India cannot be faulted for repudiating the claim of Smt. Sonali Desmukh for full sum assured under the policy for non-disclosure of material information at the time of effecting the assurance and the forum finds no reason to intervene in the decision of repudiation by LIC

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Complaint No. LI – 65 (2012 – 2013)

Complainant: Smt. Shobha Solapure

V/s

Respondent : ING Vysya Life Insurance Co. Ltd.

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Award dated 31.10.2013

Mr. Mallikarjun Solapure had bought policy no. 00405174 from ING Vysya Life Insurance Company Ltd on 28.03.2006. He expired on 30.10.2011. When his wife Mrs. Shobha Solapure lodged the claim with the insurer, it was repudiated on the grounds that the policy was in lapsed condition as on the date of death.

On hearing the deposition of both the parties to dispute, it was observed that since the life assured had paid the premiums for more than 3 years, the policy attained the Paid –up status as per Clause 5 of the policy terms and conditions. Hence the company paid only paid- up value of Rs. 53711/- to the claimant and denied claim for full sum assured. The company has not violated the contractual agreement and has acted as per policy terms and conditions. Also it is observed that there is no Claim Concession provision in policy terms and conditions.

Under the above circumstances, the forum finds no reason to intervene in the decision of ING Vysya Life Insurance Company and the complaint is treated as closed at this forum.

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**Complaint No. LI – 113 (12-13)**

**Complainant: Shri Ananda Pawar**

**V/s**

**Respondent : ICICI Prudential Life Insurance Company Ltd.**

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**Award dated : 23.10.2013**

Mr. Sachin Ananda Pawar had taken policy no. 09307388 from ICICI Prudential Life Insurance Company Ltd. on 02.07.2008 for sum assured of Rs. 1,25,000/- . He expired on 03.07.2008. When his father, Mr. Ananda Pawar lodged the claim with ICICI Prudential Life Insurance Company Ltd., they repudiated the claim on the grounds that deceased life assured was suffering from HIV since 2006 and was under treatment for the same.

Aggrieved by their decision, Shri Ananda Pawar approached the Office of the Insurance Ombudsman seeking intervention of in the matter for settlement of his claim.

The complainant Mr. Ananda Pawar had authorized his son Mr. Sagar Pawar to depose before the Ombudsman. Mr. Sagar Pawar appeared and deposed before the Ombudsman. He stated that his brother Mr. Sachin Pawar was a wrestler by profession. His brother expired on 03.07.2008 due to Heart Attack. When he was taken to hospital, Dr. Gosavi had informed them that exact cause of death could not be determined hence advised to undergo post mortem. FIR was lodged in Islampur Police station by the complainant regarding the death of the life assured. When his father lodged the claim with ICICI Prudential Life Insurance Company Ltd., they repudiated the claim on the grounds that his brother was suffering from HIV since 2006 and was under treatment for the same. He stated that the Hospital reports submitted by some agent to the insurer did not pertain to his brother but another person by the same name residing in their village. He stated that his brother was unmarried whereas the person whose reports were obtained from Loknete Hospital is married to one Mrs. Bharti. He also stated that his brother's age was 25 years as on 2008 whereas the other person's age was 32 years. He stated that his brother expired on 03.07.2008 whereas the other person expired on 14.07.2008. He stated that his mother's name is Mrs. Kalpana and Grandfather's name is Mr. Akaram Pawar whereas the other person's mother's name is Mrs. Chaaya and Grandfather's name is Mr. Shamrao Pawar. He also produced documentary evidence to prove the above facts. He stated that his brother's death certificate was issued by Islampur Municipal whereas the other person's death certificate was issued by Grampanchayat, Peth. His brother bought Auto-rickshaw in the month of 05/2008 , the documents of which were also produced to the forum.

The company representative submitted the complainant submitted Medical Certificate from Dr. Satish Gosavi dated 06.02.2009 stating that life assured died outside the hospital on 03.07.2008. She stated that death had taken place within 1 day of commencement of risk .On investigating the claim it came to light that deceased life assured was suffering from HIV since 2006 and they had evidence i.e. Maharashtra State AIDS Control Society report to

prove the above fact. Ombudsman asked her how they came to know that the certificate pertains to deceased life assured as there was no name of the person in this certificate, to this she stated that they identified it from the registration no. Ombudsman asked her whether they have any proof to show that registration no. in the Maharashtra State AIDS Control Society report pertains to the deceased life assured, she stated that they do not have any such proof. She further stated that the Investigations also revealed that a person named Sachin Ananda Pawar was admitted on 07.07.2008 to Loknete Hospital and discharged on 13.07.2008 and expired on 14.07.2008. She stated that the address of deceased life assured and the person with the name of Sachin Ananda Pawar are same i.e. Peth, Walva, District – Sangli. The complainant stated that they stay near Khandoba Temple whereas the other person by the same name as that of his brother used to stay in Bhim nagar. He also produced certificate to show that they were Marathas. Mrs. Reshma stated that in the Discharge Summary of Loknete Hospital, the name of the person who is mentioned as “next to kin” is Mr. Sagar and the name of brother of the deceased life assured is also the same. During investigation, it was also disclosed that deceased life assured is married to Mrs. Bharti Pawar and the Company officials met her in person and she gave a letter stating that she was married to Mr. Sachin Ananda Pawar who died due to AIDS. Ombudsman asked her what documentary evidence they have to prove that Bharti was the wife of deceased life assured, to this she stated that there is a declaration given by her in the Loknete Hospital during the discharge of the life assured from the hospital and they have also taken letter to that effect from her, other than these evidences, they do not have any other proof.

On hearing the deposition of both the parties to dispute, Ombudsman observed that Mr. Sagar Pawar produced sufficient proof to show that his brother expired on 03.07.2008 and the medical reports pertain to some other person with the same name as that of his brother. Mr. Sagar provided the following documentary evidences:-

- 1) Adhar Card where the name of his father is mentioned as Mr. Ananda Akaram Pawar whereas the name of the father of the other person by name of Mr. Sachin Pawar is Mr. Ananda Shyamrao Pawar as mentioned in Death Certificate.
- 2) Higher Secondary Certificate-Statement of Marks, Secondary School Certificate, Driving License, New English School Identity Card showing the date of birth of the deceased life assured.
- 3) Copy of certificate from Tahlisdar, Sangli authorizing Mr. Sachin Pawar to drive Public Transport.
- 4) Attendance Slip for written exam for Railway recruitment of Mr. Sachin Pawar.
- 5) Copy of passbook of Kalpana Pawar, mother of deceased life assured.
- 6) Receipt from Millennium Wheel, showing purchase of auto rickshaw by Mr. Sachin Anandrao Pawar.

The company representative stated that the since the entire documentary proof was received by her during the course of hearing only, she requested Ombudsman to give 10 working days time to relook their earlier decision of repudiation. Ombudsman acceded to her request.

On 22.10.2013, the forum received email from the company wherein letter dated 18.10.2013 was attached which states that “We have reviewed the case on the basis of the

additional documents submitted by Mr. Sagar Pawar during the hearing of the case on 3.10.2013. In light of the new facts we wish to state that the company has decided to settle the claim along with penal interest calculated @10.5% for the period 01.12.2010 to 18.10.2013 (Date of repudiation till date)."

The company's decision to settle the claim is appreciated by the forum. However since all the requirements for death claim was received by the company from the complainant on 21.07.2010, the company is advised to pay penal interest from 21.07.2010 till date of payment of the claim amount.

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**Complaint No. LI – 192 (2012 – 2013)**

**Complainant : Shri Raju Jadhav**

**V/s**

**Respondent : Life Insurance Corporation of India**

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**Award dated:- 13.12.2013**

The deceased, had taken New Bima Gold plan from Life Insurance Corporation of India, Policy no. being 961040840 with date of commencement of risk being 03.07.2010 for a sum assured of Rs. 1 lakh. She expired on 21.07.2010 i.e. within 18 days of commencement of risk. When her husband Mr. Raju Jadhav preferred the claim to LIC of India for settlement of the death benefit under the policy, it was repudiated by the insurer on the grounds of non disclosure of correct information about her occupation in the proposal form.

LIC in their reply to the complainant dated 06.02.2012 stated that their investigations revealed that the deceased life assured was not in service of Municipal Corporation, Nandurbar prior to the issuance of the policy. However in the proposal form dated 03.07.2010 to the question no. 4 which reads as follows, the deceased life assured had answered as follows .

**Q.4 A. Present Occupation - Answer - Service –Sweeper**

**Q. 4 . B. Name of the Present Employer – Answer – Municipal Corporation, Nandurbar**

**Length of service - Answer -5years**

**Q. 5 Educational Qualification - Answer - 5<sup>th</sup>**

**Annual Income - Answer - Rs. 48000/- , Source of Income – Service**

Since the averments made in the proposal form are the basis of the contract between the insurer and insured, the company repudiated the claim for nondisclosure of material facts.

The complainant, during the course of hearing stated that one Mr.Patil who posed himself as an insurance agent, convinced them to purchase Anmol Jeevan plan of Rs.7 lakhs on his life and on the life of his wife. He stated that finally the agent sold Policy No.961040840 to his wife for Rs. 1 lakh in 07/2010. She was working as maid servant and not for Municipal Corporation, Nandurbar .

It is observed from the documents submitted to the forum that policy no. 961040840 was issued to Smt. Shewantibai Jadhav under Non-Medical Scheme. Life Insurance Corporation of India during the course of their investigation into the bonafides of the claim have obtained Certificate from the Chief Officer of Municipal Corporation, Nandurbar stating that Mrs. Shewantibai Raju Jahav is not their employee and hence they cannot provide details of the leave taken by her. The complainant vide letter dated 01.12.2011 and even during the course of hearing have admitted that his wife was not working for Municipal Corporation and was working as maid servant.

The above reports establishes beyond doubt that the deceased life assured was not in the service of Municipal Corporation and also not having any permanent source of income . The true disclosure of this fact would have given an opportunity to the insurer to sought additional details for verification which would have enabled them to decide whether the proposal could be accepted under Medical or Non Medical Scheme.

Though Mr. Raju Jadhav had deposed that his wife , Mrs. Shewantibai Jadhav has signed on the blank proposal form and the details were filled in by the agent, the forum is of the opinion that the deceased life assured should have ensured that the details filled by the agent in the proposal form are true and correct as she signs on the Declaration at the end of the proposal form which states that the answers to all the statements in the proposal form are given by her after fully understanding the questions and the same are true and hence it becomes binding on her and she becomes responsible for the contents filled in the form.

In view of the above, LIC cannot be faulted for denying the policy monies to the claimant and the forum finds no reason to intervene in the decision of repudiation by LIC

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complaint No.LI- 334 (2013-2014)  
Complainant: Smt. Vaishali Wadekar  
v/s.

Respondent: Life Insurance Corporation of India

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Award dated : 11.03.2014

Shri Shailesh Wadekar had taken a Jeevan Saral plan, policy no 962111310 from Life Insurance Corporation of India for sum assured of Rs.1,25,000/- on 15.02.2010 .Shri Shailesh Wadekar expired on 26.05.2010 due to Sun Stroke. When the claim was preferred by his wife Smt. Vaishali Wadekar , Life Insurance Corporation of India repudiated the claim vide their letter dated 18.04.2012 on the grounds that Shri Shailesh Wadekar was suffering from Acute Abdominal pain and was advised rest for 15 days in 2009 which he had not disclosed in the proposal form .

The complainant Smt. Vaishali Wadekar along with her brother Shri Amol Jagtap appeared and deposed before the Ombudsman. Ombudsman asked her whether they have Chemical Analysis report of her husband, she stated that they do not have but will get the same if the forum demands.

On hearing the deposition of both the parties to dispute, Ombudsman directed the complainant to submit to the forum and to the insurer within one month, copies of Chemical Analysis report and last fitness certificate of the deceased life assured from his employer.

On 07.2.2014, the forum received letter dated 03.02.2014 from the complainant along with "Medical Checkup Information proforma' which was signed by Medical Officer, R.P.F.Gr .VI Dhule on 17.05.2010 which shows that her husband Late Shri. S.J. Wadekar was given Grade 'A'. Complainant had also attached Copy of Final Police Report. All the above documents were forwarded to the insurer by the complainant as well as by the forum.

On 06.03.2014, the forum received email from LIC, Nashik D.O. stating that "On going through final police report, it is found that death is due to Sun Stroke . There is nothing adverse. Claim seems to be genuine".

As LIC has accepted that the claim is genuine, it is directed to pay all the benefits available under the policy in case of death claim.

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**Complaint No. LI- 422 (2012-2013)**  
**Complainant : Smt. Jayashree Kulkarni**  
**V/s**

**Respondent: Life Insurance Corporation of India**

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**Award dated 31.10.2013**

Shri. Jayram Kulkarni had taken policy no.s 947527197 and 947819944 from LIC on 14.11.2008 and 15.03.2010 respectively. He expired on 05.04.2010 due to Acute Myocardial Infarction. When his wife Smt. Jayashree Kulkarni lodged the claim with LIC, it was repudiated by them on the grounds that her husband was suffering from hypertension and spondylosis prior to the date of proposal.

LIC stated that they hold evidence and reasons to believe that prior to the application for assurance, the deceased life assured was suffering from Hypertension and Spondylosis prior to the date of proposal . He did not disclose these facts in the proposal form. Hence the claim was repudiated by LIC of India and all monies that have been paid stand forfeited.

Not satisfied by their decision, Smt. Jayashree Kulkarni approached the Office of the Insurance Ombudsman seeking intervention in the matter for settlement of her claim.

After perusal of the records, parties to the dispute were called for a hearing on 30.10.2013 at 1.00 pm at Camp -Goa.

It is observed that in the proposal for insurance for policy no. 947527197 and 947819944, life assured had answered all the questions relating to health negatively which gave an impression to the insurer that he was in good health at the time of proposal. However during the process of claim investigation, LIC obtained Certificate from Dy. Engineer, Zilla Parishad, and Department (building) which establishes that deceased life assured was on leave on medical grounds between 18.07.2005 to 10.11.2005. LIC has received two Certificates from Civil Surgeon, Ratnagiri which states that he was suffering from HTN with Spondylosis and was advised rest from 18.07.2005 to 31.07.2005 and also from 01.08.2005 to 10.11.2005 . This information was not disclosed by late Mr. Jayaram Kulkarni in the proposal forms which was ground for repudiation on the part of the insurer. During the course of deposition, Mrs. Jayashree Kulkarni had denied that her husband Mr. Jayram Kulkarni had suffered from any disease. She has informed the forum that her husband was on medical leave in 2005 as there was some dispute in his office due to which he was transferred to some other place. As her husband did not have any other leave to his credit, he opted for leave on medical grounds. However the certificate given by Civil Surgeon cannot be challenged at this point of time. Also it is observed from the Certificate of Hospital Treatment given by Dr. Sameer Dalvi that the Mr. Jayaram Kulkarni has himself given the history of hypertension to the Doctor during his admission in the hospital on 05.04.2010. Hence the contention of Mrs. Jayashree that her husband was not

suffering from any disease is not justified. Though the deceased life assured has not taken any leave on medical grounds after 10.11.2005, yet it was his duty to disclose truthfully his health condition at the time of proposal to enable the insurer to make proper assessment of risk. The cause of death is Acute Myocardial Infarction which has nexus to the information that is not disclosed in the proposal form.

In view of the above, insurer cannot be faulted for denying the policy monies to the claimant Smt. Jayashree Kulkarni

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complaint No. LI – 666 (12-13)

Complainant: Smt. Lalitha Jangale

V/s

Respondent : Life Insurance Corporation of India

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Award dated : 22.11.2013

Shri. Shriram Jangale had taken policy no. 972040729 from Life Insurance Corporation of India on 10.01.1997 for sum assured of Rs. 30,000/-. He went missing since 07.11.2000. His wife Smt. Lalitha Jangale lodged complaint with Police authorities on 14.11.2000 and on 03.03.2011 she received an Order from the court that her husband is declared dead as on date on 07.11.2006. She informed LIC on 01.04.2008 that her husband went missing. Premiums under the policy were paid till 11/2000. She had submitted the Court Order to LIC in 2011. The insurer paid her paidup value of Rs.16470/- since premiums were received under the policy only for 3 years and 10 months. She represented her case to the Grievance Redressal Officer of LIC for full sum assured. But the company stood by their decision of repudiation of claim for full sum assured.

Aggrieved by this decision, Smt. Lalitha Jangale approached the Office of Insurance Ombudsman for redressal of her grievance. After scrutinizing the records produced to this Forum, parties to the dispute were called for hearing .

LIC of India representative submitted that Mrs. Lalitha Jangale informed LIC that her husband went missing since 11/2000 and she had lodged the complaint with the police authorities. In 2011, the complainant submitted a copy of the Order from the Court of Law stating that Mr. Shriram Jangale has been declared dead as on 07.11.2006. He stated that since the complainant had informed about her husband going missing in 2008, it was not advisable to ask her to continue the premium payment as it was more than 8 years from the date of lapse. He stated that the policy was in force as on the date of missing but as on date of death, it was in paid up condition i.e FUP was 12/2000. Hence LIC settled paid up value of Rs. 16470/- to the claimant. Ombudsman asked him whether any lapse intimation was sent to the policy holder or to the employer of the policyholder, to this he stated that they had sent the intimation through ordinary post and the records are preserved only for 5 years. Since it is more than 5 years , they have been destroyed .He stated that the address of the policy holder in the Report from Police Station Officer, Railway Police Station , Nagpur dated 06.03.2001 is different than what is appearing on

the records of LIC and this change in address was also not intimated to LIC by policyholder nor the claimant.

On hearing the deposition of both the parties to dispute, Ombudsman observed that though the company representative has informed that they had sent lapse intimation to the policyholder, there is no evidence to prove their contention. At the same time, it is also observed that the nominee has also not informed about her husband going missing at any point of time before 04/2008. Had she informed LIC when she had lodged complaint with the police authorities on 14.11.2000, LIC would have asked her to keep the policy in force by regular payment of premiums till she receives the final Order from the court.

Under these circumstances, this Forum finds that the decision of LIC to settle paid up value along with accrued bonuses to the claimant is correct and finds no valid reason to intervene with the decision of LIC to repudiate the claim of Smt. Lalitha Jangale for payment of policy monies under the policy held by her deceased husband Shri. Shriram Jangale.

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**Complaint No. LI – 689 (12-13)**

**Complainant: Smt. Rashmi R. Kamble**

**V/s**

**Respondent : Birla Sunlife Life Insurance Company Ltd**

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**Award dated 11.03.2014**

Shri Raju Kamble had taken Dream Endowment plan , policy no. being 004093121 from Birla Sunlife Life Insurance Company Ltd for basic sum assured of Rs.2,85,000/- on 28.04.2010. Shri Raju Kamble expired on 27.07.2012 due to Cardiogenic Shock with Extensive Aortic Dissection in known case of Hypertension. When the claim was preferred by his wife Smt.Rashmi Kamble, the insurer repudiated the claim vide their letter dated 31.12.2012 on the grounds that deceased life assured had suffered from health ailments prior to the date of application for insurance which he had not disclosed in the proposal form .

The parties to dispute were called for hearing. Smt. Rashmi Kamble stated that her husband was not suffering from any ailment and was not on any medication. She stated that it was the responsibility of the insurer to medically examine her husband before issuing him a policy. She also produced to the forum certificate given by Dr. Vinayak Shinde which shows that her husband was not suffering from hypertension.

Birla Sunlife Life Insurance Company Ltd representative submitted that when the claimant had intimated the death of Shri Raju Kamble investigations were conducted and it revealed from the case papers of Bombay Hospital where late Shri Raju Kamble was admitted during his terminal illness that deceased life assured was suffering from hypertension since last 10-15 years and was on medication and had suffered from Hypertensive Left Ventricular Failure in 2009 and this history was given by the sister of the

deceased life assured. The company representative also produced certificate from Dr. Mahesh Lombar dated 11.2.2008 which states that the deceased life assured was detected with young hypertensive and was on treatment on OPD basis from 14.01.2008 to 11.2.2008. However this information was not disclosed in the proposal form.

The forum gave a copy of the certificate given by Dr. Mahesh Lombar to the complainant and also showed her the case papers of Bombay Hospital which establishes the history of past ailments suffered by Shri Raju Kamble. On going through these papers, Smt. Rashmi stated that her husband had not suffered from hypertension and was not on medical leave in 2008. She stated that her husband had suffered from some cough problem for which he consulted the doctor in 2008. She also stated that since she reached the hospital late when her husband was admitted during his terminal illness, she is not aware as to what her sister –in – law had informed the doctor about her husband .She also stated that when the claim was repudiated, they had asked the company officials to provide the evidences on the basis of which claim was rejected. But the company has till date not provided them with any evidence. When Ombudsman asked company officials whether they have any leave record to prove that deceased life assured was on leave in 2009 , to this the company representative stated that they have tried their level best to get leave records from the employer of the deceased life assured but in vain.

On hearing the deposition of both the parties to dispute, the forum observed that the complainant was not ready to accept the contention of the company that her husband had suffered from hypertension prior to the date of proposal. Hence the forum gave 15 days time to the complainant to make enquires to the check the authenticity of investigations done by the company and also provided them with copy of case papers of Bombay Hospital and copy of Certificate given by Dr. Mahesh Lombar for their perusal. However, the complainant never reverted back to the forum.

All the above documents indicate that deceased life assured had suffered from hypertension prior to the date of proposal which he has not disclosed in the proposal for insurance. As per declaration given by him in the proposal form, he was duty bound to disclose all material facts about his health at the time of proposal to enable the insurer to assess the risk accurately.

Though the complainant has denied that her husband was suffering from any kind of ailment and was not on medication, the forum is of the opinion that the health history given by the sister of the deceased life assured cannot be just set aside as it was given for betterment management of the patient. The forum has also given sufficient time to the complainant to prove her contention but received no response from her.

Under this circumstances, Birla Sunlife Life Insurance Company Ltd cannot be faulted for repudiating the claim of Smt. Rashmi Kamble for the full sum assured under the policy for non-disclosure of material information at the time of effecting the assurance and the forum finds no reason to intervene in the decision of repudiation by the insurer .

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**Complaint No. LI – 821(12-13)**

**Complainant: Smt. Pramila Shinde**

**V/s**

**Respondent : Life Insurance Corporation of India**

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**Award dated 07.10.2013**

Mr. Daulat Shinde had taken policy no. 962851380 on 28.11.2010 for sum assured of Rs.1, 50,000/- wherein he had availed of monthly ECS of Rs. 612/- . The ECS debit date was 28<sup>th</sup> of every month. Premium due 05/2012 was not debited from his account as the balance was insufficient. He expired on 18.06.2012. When his wife Mrs. Pramila Shinde lodged the claim with LIC, it was rejected on the grounds that policy was in lapsed condition as on date of death. She requested LIC to reconsider her claim, but LIC stood by their earlier decision of rejection of claim.

On perusal of the records, it was observed that Mr. Daulat had account with Nasik District Central Co-op Bank Ltd. His premium of Rs. 612/- for policy no. 962851380 was debited on 28<sup>th</sup> day every month. From the copy of the passbook submitted to this forum, it is observed that bank has charged him with Rs. 50/- for insufficient funds as on 28.05.2012, though there is subsequent transaction showing credit of Rs. 98075/- on the same day. The company representative has clarified that ECS transaction takes place in the morning and on 28.05.2012, there was only Rs. 1034/- to the credit of Mr. Daulat Shinde when ECS transaction took place. Since Mr.Daulat Shinde had availed of cheque facility, the minimum balance to be maintained by him is Rs. 500/-. Thus it is clear that ECS was dishonoured by bank due to insufficient balance as on 28.05.2012. Mr. Daulat expired on 18.06.2012. i.e. after the grace period of 15 days. Thus the policy was in lapsed condition as on date of death. Since the policy has not run for 3 years, the policy has not acquired any value. Thus rejection of claim by LIC is as per the terms and conditions of the policy.

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**Complaint No. LI – 917 (12-13)**

**Complainant: Smt. Jyoti Rane**

**V/s**

**Respondent : Reliance life Insurance Company Ltd**

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**Award dated : 22.10.2013**

Mr.Rahul Rane had taken 3 policies from Reliance Life Insurance Company , policy no. being 12560037, 14931045 and 15787198. He expired on 26.12.2011. When his wife Mrs. Jyoti Rane lodged the claim under the 3 policies, insurer repudiated the claim under policy no. 14931045 and 15787198 stating that the policy was in lapsed condition as on date of death. Mrs Jyoti informed them that the premium of Rs. 12988/-was given to the agent in 12/2011 to pay the premium under policy no. 15787198, however the agent had deposited the amount under policy no. 14931045.However insurer stood by their decision of rejection of claim.

Not satisfied by their decision, Smt.Jyoti Rane approached the Office of the Insurance Ombudsman . After perusal of the records, parties to the dispute were called for a hearing .

The company representative had deposed that under Policy no. 12560037 (Reliance Secure Child), the life assured had paid premiums for 3 years but the policy was in lapsed condition as on date of death. Hence the policy is inforce for reduced sum assured. Under policy no. 14931045, life assured had paid the premium due 07/2010.However the cheque got dishonoured in Sept.2010. Again the life assured made a cash payment of Rs. 12988/-, being the premium due 07/2010 and 07/2011 on 21.12.2011. Since the policy was in lapsed condition, the company had called for medical requirement. But before the requirements were complied the life assured expired on 26.12.2011. Hence the company has refunded the deposit amount to the claimant. The company representative stated that they had sent a letter to the life assured to comply with the medical requirements; however the complainant denied receiving any such letter from the company. When Ombudsman asked the company representative to produce the letter wherein they had called for medical requirement, he stated that he is not in possession of the same now and will produce the same later. The company representative also stated that under policy no. 15787198, since the policy was in lapsed condition as on date of death, nothing was paid to the claimant as per policy terms and conditions.

On hearing the deposition of both the parties to dispute, Ombudsman observed that under policy no. 12560037 and 15787198 the company has acted as per policy terms and conditions. However since under policy no. 14931045, the complainant had denied receipt of letter from the company to comply with medical requirements for reinstatement of the policy, the company is directed to submit a copy of the same to the forum within 7 working days.

**In spite of giving sufficient time to comply with the requirements as per directions given during the course of hearing, the company has not been able to produce any evidence to establish that the medical requirement for revival of the policy was called for from the policyholder .Thus in the absence of any evidence the company cannot contest that the policy was not revived due to non- submission of the medical requirements by the life assured . Under these circumstances, the company has to treat the policy as inforce and pay the claim amount after deductions of the unpaid premiums. Since the company had only submitted the brochure for policy no. 14931045, the forum has been repeatedly following up with the company representative to submit a copy of the above policy. However inspite of our repeated followup, the company has not provided us with the copy of the same till date. This shows indifferent attitude of the company towards this forum.**

**On 14.10.2013, the forum received email from the company stating that "as an exceptional matter, we have decided to waive off the medical examination requirement for reinstatement of the policy bearing no. 14931045 and consider the same as revived and in force , at the time of death of the Life Assured. We will be pleased to release the sum assured in the said policy as a goodwill gesture. However applicable amounts for non paid premiums by the deceased life assured including interest and penalty amount for paying the premiums after the grace period will be deducted from the claim amount as the same were refunded to the complainant earlier , due to non revival of the policy. We will be able to release the claim amount after necessary deductions after we receive the Award in this matter from your office".**

**Since the company has not provided the forum with the copy of policy terms and conditions , the forum observes from the Brochure submitted by the company for the policy no. 14931045(Reliance Child Plan) that on death of the life assured , the beneficiary will get the Sum Assured, Guaranteed Fixed Benefits on specified dates and all future premiums shall be waived . Hence Reliance life Insurance Company Ltd is directed to pay death claim amount under policy no. 14931045 along with all the applicable benefits that are payable to the claimant after deducting the unpaid premiums and interest on those premiums from the due date of premium till date of receipt of the revival amount i.e. till 21.12.2011 .**

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**BEFORE THE INSURANCE OMBUDSMAN**

**(MAHARASHTRA & GOA)**

**MUMBAI**

**Complaint No.LI- 967 (2013-2014)**

**Complainant: Smt. Manju Ahuja**

**v/s.**

**Respondent: LIC of India.**

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**Award dated :21.03.2014**

Shri Anil Kumar Ahuja had taken policy no. 963664414(Jeevan Astha) on 21.01.2009 for sum assured of Rs. 6 lakhs and policy no. 963670596 and 963670597 on 04.05.2009 for sum assured of Rs. 5 lakhs each. Shri AnilKumar Ahuja expired on 24.02.2011. When his wife Smt. Manju Ahuja lodged the claim with the insurer, LIC settled the claim under policy no. 963664414 but they repudiated the claim under policy no. 963670596 and 963670597 on the grounds that deceased life assured had not disclosed his pervious policy details in the proposal form.

Aggrieved by their decision, Smt. Manju Ahuja approached the Office of the Insurance Ombudsman seeking intervention in the matter for settlement of her claim.

On 31.01.2014, the forum sent a letter to LIC to give their observation whether the sum assured under policy no. 963664414 (Jeevan Astha plan) should be taken into account to calculate Sum Under Consideration (SUC) for deciding the Medical and Financial Underwriting of policy no.s 963670596 and 963670597.

On 18 .03.2014, the forum received email from LIC stating that for NB underwriting, the proposals under Jeevan Aastha are considered on standalone basis. However, in the cited instance, the policy for sum assured of Rs.6 lakhs under Jeevan Aastha plan was taken on 21.01.2009. Subsequently , the two policies viz policy no.s 963670596 /97 were taken on 04.05.2009 for sum assured of Rs.5 lakhs each where the pervious policy taken under Jeevan Aastha plan was not disclosed. In case of policies taken afterwards, all the pervious policies including those taken under plans like Jeevan Aastha are to be mentioned as it has a bearing on both medical and financial underwriting. As per the underwriting rules, had this pervious policy taken under Table 195 was disclosed, then the Sum Under Consideration (SUC) would have been Rs. 12 lacs (instead of Rs. 10 lacs) and it would have necessitated calling for Special Medical Reports viz. Lipidogram, FBS, RUA, Elisa for HIV and Haemogram. The underwriting decision would then have depended on the findings of these reports. So also the Total Rated up Sum Assured (TRSA) would have been Rs. 21 lacs and from financial underwriting point of view, if the said previous policy was disclosed , we would have called for CA certificate showing income for the last 3 years or Personal Financial Questionnaire (PFQ) signed by the proponent. In the cited case, due to non-



disclosure of the previous policy, we could not call for the special medical reports and financial documents necessary for assessment of risk on the said life.

The documents submitted to this Forum have been perused. It is established from the proposal form for policy no. 963670596 and 963670597 that the deceased life assured had not mentioned about his pervious policy details i.e. Policy no. 963664414. As per the details divulged in the proposal form, LIC called for Full Medical Report of the life assured and the proposals were accepted at Ordinary Rates.

Under the Insurance law, the proposer is required to disclose all the material facts including details of the previous policies held by him at the time of applying for a new policy. This information is required by the Insurer for underwriting the risk and to decide about the medical requirements since various special reports required for underwriting the proposal depends on TOTAL SUM AT RISK under various policies held by the Life Assured.

Generally, mere non-disclosure of previous policies could not be a ground for repudiation, but this is valid only when the insurer is sure that non disclosure of previous insurance policy would not have affected the acceptance decision in any way and there was no need to call for additional medical reports. Even on the issue of moral hazard, the insurer had to be sure that the insurance cover will be confined to the established norms of financial underwriting and will not lead to a situation of over insurance. In the instant case, had Shri Anil Kumar Ahuja disclosed about his pervious policy, insurer would have called for medical and special reports and their underwriting decision could have been affected based on the findings of these reports. Also disclosure of pervious policy would have given an opportunity to LIC to call for income proof to find out whether his income was sufficient to support the insurance policies. Thus disclosure of previous policy would have made a clear impact on the Medical as well as financial underwriting of the proposals on the life of Shri Anil Kumar Ahuja. By not giving correct information about pervious policy, deceased life assured had denied LIC of correct assessment of risk.

Under these circumstances, this Forum has no valid reason to intervene with the decision of LIC of India to repudiate the claim of Smt. Manju Ahuja for payment of policy monies under the policies held by her deceased husband Shri Anil Kumar Ahuja. .

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**Complaint No.LI- 2078 (2013-2014)**

**Complainant: Shri Samadhan Mahajan  
v/s.**

**Respondent: Life Insurance Corporation of India**

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**Award dated : 10.03.2014.**

**Smt. Monica Mahajan had taken New Bima Gold plan, policy no. being 964583467. The date of commencement of risk under the policy was 14.09.2011. The policy lapsed due to non payment of premiums since April, 2012 and was revived on 04.12.2012. Smt. Monica expired on 15.01.2013 i.e. within 1 month and 11 days from the date of revival due to CRA with septicemia due to 70% burns. When her husband Shri Samadhan Mahajan lodged the claim with the insurer, it was repudiated on the grounds that his wife had not disclosed in the Personal Statement of health at the time of revival that she had undergone delivery (child birth) on 27.11.2012 and had suffered from puerperal fever prior to the date of revival and was admitted to the Hospital as on date of revival.**

**It is observed from the documents submitted to the forum that the policy no. 964583467 on the life of Smt. Monica Mahajan was revived on 04.12.2012 at 3.33pm on the basis of Personal Statement of health signed by her wherein she has not disclosed anything adverse about her health. LIC during the course of their investigation into the bonafides of the claim have obtained Discharge Card from Anagha Dutta Hospital which shows that she was admitted on 04.12.2012 for treatment of Puerperal Fever. The Hematology Report from Shri Nrusinha Computerized Pathology shows that she had undergone this test on 04.12.2012 at 1.33 p.m i.e. just before the payment of revival amount. LIC has also submitted a medical note given by Anagha Dutta Hospital to Nimjai Health Care Pvt. Ltd which states "She is admitted to our hospital on 04.12.2012 for puerperal fever with H/O of home delivery on 27.11.2012." However in the Personal Statement of health dated 04.12.2012 submitted by her , it is observed that ,to Q.8 (6) which relates to last delivery (Child birth ), she has not disclosed the fact about her delivery on 27.11.2.12 . The complainant Shri Samadhan Mahajan and father of deceased life assured Shri Somnath Mahajan have informed the Policy authorities (as revealed from Police Report dated 07.02.2013) that Smt. Moncia Mahajan was not physically and mentally fit after her delivery on 27.11.2012.**

**From the above documents it is established that Smt. Monica Mahajan was not in good health as on the date on revival which she did not disclose to the insurer. Thus LIC was denied an opportunity of correct assessment of risk.**

The complainant in his letter dated 13.1.2014 to the forum has informed that he had given premium amount well in advance to the agent and the agent had not deposited it to the LIC office. Here the forum is of the opinion that it is the duty of the life assured to ensure that the premiums are deposited well in time to the insurer to safeguard the benefits available under the policy. The complainant has also alleged that the Personal Statement of health was not signed by the life assured. The forum with limited powers do not have the right to verify the authenticity of the signature . At the same time the complainant should understand that in the absence of Personal Statement of health, the policy would not have been revived by LIC at all and the question of Death Claim benefit under the policy would not have arisen .

Under these circumstances, this Forum has no valid reason to intervene with the decision of LIC to repudiate the claim of Shri Samadhan Mahajan for payment of policy monies under the policy held by his deceased wife Smt. Monica Mahajan .

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**Complaint No.LI- 2246 (2012-2013)**

**Complainant: Smt. Ranjana Salunke  
v/s.**

**Respondent: Life Insurance Corporation of India**

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**Award dated : 13.02.2014**

Mr. Sandipan Salunke had taken Jeevan Saral plan from Life Insurance Corporation of India, Policy no. being 905978402 on 05.07.2008. The policy lapsed due to non payment of premium .The policy was revived on the 25.01.2011 by paying outstanding premiums with interest. Mr. Sandipan expired on 14.05.2011. The cause of death was Terminal Cardio respiratory Arrest due to Septicemia due to Necrotizing Fascistic in Known case of Diabetes Mellitus. When his wife Smt. Ranjana Salunke lodged the claim with LIC it was repudiated on the grounds that her husband was suffering from Bipolar Disorder since 10 years, Ulcerative colitis since 4 years, DM/HTN since 1 year and also had history of tuberculosis prior to the date of revival which he had not disclosed in the Personal Statement of Health at the time of revival nor to the Medical Examiner of LIC.

Aggrieved by their decision Mr. Smt. Ranjana Salunke approached the Office of the Insurance Ombudsman seeking intervention in the matter for settlement of her claim.

After perusal of all the documents submitted by both insurer and the complainant, the forum wrote letter to the complainant dated 06.01.2014 wherein she was asked to

**produce any additional evidence to contravene the decision of the insurer. On 28.01.2014, the forum received letter from the complainant stating that she is unable to produce any further documents. Mr. Santosh Salunke, son of the complainant has also informed the forum telephonically on 11.02.2014 that they are not in position to submit any further documentary evidence.**

**The entire documents produced to the forum are scrutinized. On going through the documents submitted at the time of revival of policy no. 905978402, it is observed that Mr. Sandipan Salunke had answered all the questions pertaining to health negatively, which gave an impression to the insurer that he was in good health at the time of revival. Mr. Sandipan Salunke expired within 3 months and 19 days of revival of the policy. After the death of Mr. Sandipan Salunke, investigations were conducted by the insurer and it revealed from the case papers of B.Y.L. Nair Charitable Hospital where deceased life assured was admitted during his terminal illness that he was Chronic Tobacco Chewer and known case of Diabetes Mellitus and Hypertension since 1 year, Ulcerative Colitis since 4 years, Bipolar Disorder since 10 years and Pulmonary Tuberculosis since 1 year . The Certificate of Hospital Treatment given by the Registrar of B.Y.L. Nair Charitable Hospital shows that the above history of health ailments was given to the doctors by the patient and his son.**

**From all the above documents submitted to the forum, it is established that deceased life assured had suffered from various health ailments prior to the date of revival.**

**Revival is De novo contract between the insurance company and the insured, and the insurer has to assess the risk afresh and based on the assessment, the former can impose fresh terms and conditions at this time. As per the Declaration given in the Personal Statement regarding Health by Mr. Sandipan Salunke, he was duty bound to disclose all the information about his health and habits correctly which would have enabled insurer in correct assessment of risk.**

**Under these circumstances the forum finds no reason to intervene with the decision of the insurer in repudiating the claim under the policy held by the deceased life assured.**

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**Complaint No. LI – 589 (2012 – 2013)**

**Complainant: Smt. Aradhana Jadhav**

**V/s**

**Respondent : Life Insurance Corporation of India**

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**Award dated 23.12.2013.**

**Shri Yamraj Jadhav had taken life insurance policy from LIC of India., After the death of Mr. Yamraj Jadhav, his wife Smt. Aradhana Jadhav preferred the claim to LIC of India. The Insurer repudiated the claim on account of the deceased life assured having suppressed material information regarding his health at the time of effecting the assurance.**

**The insurer stated that the above answers were false as they hold evidence and reasons to believe that prior to application for assurance deceased life assured had suffered from Rt. Sided Epididymo Orchitic with Hydrocele and was operated on 09.11.2009 . He did not disclose these facts in the proposal form. Hence the claim was repudiated by LIC of India and all monies that have been paid stand forfeited.**

**Aggrieved by their decision, Smt.Ardhana Jadhav approached the Office of the Insurance Ombudsman seeking intervention in the matter for settlement of her claim.**

**After perusal of the records, parties to the dispute were called for a hearing**

**Ombudsman asked the company representatives what would have been the impact of hydrocele on underwriting decision , to this she stated that for Hydrocele cases there is waiting period of 3 months and thereafter proposal is accepted at Ordinary Rates. She also stated that the KEM Hospital records where deceased life assured was admitted during his terminal illness shows that he was known case of diabetes and was on treatment.**

**On hearing the deposition of both the parties to dispute it was observed that repudiation of claim on the grounds of non disclosure of Hydrocele is not justified as it would not have affected the underwriting decision of the company. As far as repudiation on the grounds of diabetes is concerned, forum observed that the Case papers of Lonkar Hospital dated 27.04.2011 shows DM? Also it is observed from the KEM Hospital papers that there is contradiction in records i.e. in the Continuation Sheet dated 30.04.2011 , it shows 'K/C/O DM and on regular treatment' and in the Continuation Sheet dated 11.05.2011, it shows 'Recently diagnosed DM not on medication' . . Thus LIC has not been able to establish with certainty that deceased life assured was suffering from diabetes prior to the date of proposal. When this was brought to the notice of the company representative, they stated that they have denied the claim on the basis of non disclosure of Hydrocele and not diabetes.**

**Also death of deceased life assured was due to Dengue and it has no nexus to the information not disclosed in the proposal form.**

**It is a well known fact in the life insurance market that the intermediaries fill up the proposal form and take the signature of the life to be assured. A well knowledgeable intermediary takes care to ask all relevant questions to the proposer and also explains him the importance of correct answers and fills up the various columns in the proposal form based on the information given by the prospect. Though the awareness about insurance**

has picked up, we have to admit the fact that the knowledge about various products of life insurance and the rights and responsibilities of the consumer is very low. Though the forum can not absolve the life to be assured from his responsibility to be truthful to the contract, I am not able to buy the defence of LIC of India that the suppression was intentional and fraudulent for the simple reason that the deceased life assured had died due to dengue and the Diabetes is not established from the reports submitted. Moreover LIC have admitted that non disclosure of successful Hydrocele operation 2 years back would not have impacted underwriting decision in any way.

Hence the decision of Life Insurance Corporation of India to repudiate the claim of Mrs. Ardhana Jadhav under policy no. 959615303 was set aside and the insurer is directed to pay the sum assured of Rs. 1,50,000/- to the claimant on Ex-gratia basis. There is no order for any other relief.

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**Complaint No. LI – 1216 (13-14)**

**Complainant: Smt. Archana Gaikar**

**V/s**

**Respondent : Life Insurance Corporation of India**

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**Award dated 06.12.2013**

Shri Sunil Gaikar had taken Bima Gold plan, policy no 923530524 from Life Insurance Corporation of India on 28.01.2006 for sum assured of Rs.1,00,000/-.Shri Sunil Gaikar expired on 17.12.2008 by committing suicide. When the claim was preferred by his wife ,Smt. Archana Gaikar, Life Insurance Corporation of India repudiated the claim vide their letter dated 12.08.2009.

The complainant Mrs. Archana Gaikar during the course of hearing submitted that her husband Mr. Sunil Gaikar had consulted Dr. Veena Kulkarni for minor health issues like fever and weakness but she is not aware whether her husband was suffering from depression. Ombudsman asked her then why she had informed the police authorities that her husband was suffering from depression from past 4-5 years prior to his death as recorded in Jabab , to this she stated that when she saw her husband's dead body ,she fell unconscious and was not in right frame of mind when the police authorities had questioned her. She stated that she does not have any house of her own and stays in their relatives place. She stated that her financial condition is very weak and she has to look after her two daughters who are pursuing their higher education .Hence she pleaded for sympathetic consideration.

LIC of India was represented by Mrs. Deepa Dhongde, A.O. (Claims). She stated on receipt of death claim intimation, investigations were conducted and it revealed that deceased life assured was suffering from depression since 4 years and had taken treatment for it prior to the date of proposal. They have evidences by way of Certificate from Dr. D.M. Bhadlikar (psychiatrist), prescriptions and Jabab dated 17.12.2008 given by Smt. Archana Gaikar which shows the above facts. On the grounds of non disclosure of material facts, the claim was repudiated by LIC. She defended the decision of the Company.

On hearing the deposition of both the parties to dispute, it was observed that Mr. Sunil Gaikar had committed suicide after 2 years and 10 months of taking the insurance policy. Hence suicide clause as per policy terms and conditions is not applicable. Since the claim has occurred between 2 to 3 years, it is necessary to look into whether there was any fraudulent intention while taking policy in view of applicability of Section 45.

Hence LIC was directed to re-examine the case and inform their decision to the forum within next 3 working days.

On 24.11.2013, the forum received email from LIC stating that "Depression is a disease and it increases the risk of suicide. The primary cause of death is suicide but the underlying secondary cause is depression and the cause of death has nexus with the suppressed information. The life assured may have not planned to commit suicide when submitting the proposal, suppressing the state of his mental health. By not disclosing the fact that life assured was suffering from depression, LIC of India was led to accepting risk on a sick person, which may not have been accepted at such terms if the facts were disclosed. Therefore, the decision of LIC of India to repudiate the death claim stands".

The documents received by the parties to dispute have been perused and the analysis of the entire case reveals that deceased life assured committed suicide by hanging himself to a Nylon rope on 17.12.2008. The duration of the policy from date of commencement to date of death has been 2 years and 10 months. In the instant case, the policy has been questioned after 2 years since the policy has been effective. Hence the provisions of the second part of Section 45 of the Insurance Act, 1938 are applicable.

Let us see what section 45 states:-

"No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected be called in question by an insurer on the ground that statement made in the proposal or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy-holder and that the policy-holder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose."

Three conditions for application of 2nd part of Section 45 are –

- (a) the statement must be on a material matter or must suppress facts which it was material to disclose; and**
- (b) the policy-holder must have known at the time of making the statement that it was false or that it suppressed facts which it was material to disclose and**
- (c) the suppression must be fraudulently made by the policyholder;**

The repudiation of the claim by Life Insurance Corporation of India Ltd. was on the ground of suppression of fact that deceased life assured was suffering from depression and was on treatment for the same as established from the Jabab given by the wife of the deceased life assured, Mrs. Archana Gaikar cannot be overlooked as it does have significant bearing on the underwriting aspect which would have affected the acceptance of the risk. LIC has also submitted Prescription dated 1.12.2006 and certificate from Dr. Dushyant Bhadlikar which states that he had seen the deceased life assured 4 years before the date of prescription (i.e. 01.12.2006) and was diagnosed to have Psychotic depression . Thus from the above evidences, it can be concluded that deceased life assured had full knowledge about his health ailment which he did not disclose truthfully and correctly to the Insurer and it was a material fact which would have affected the underwriting of his proposal . Thus the conditions (a) & (b) have been established by the Company.

As far as condition (c) , suppression must be fraudulently made by the policy-holder/proposer is concerned , it is observed that Mr. Sunil Gaikar had no previous policies and this is his first insurance . His educational qualification is also very low i.e. he has studied up to standard 6<sup>th</sup> and he is binder by profession as revealed in the proposal form. It is well known fact that even today a product of life insurance is sold to majority of the population and seldom persons plan for their life insurance needs. It is a well known fact in the life insurance market that the intermediaries fill up all the proposal form and take the signature of the life to be assured. A well knowledgeable intermediary takes care to ask all relevant questions to the proposer and also explains him the importance of correct answers and fills up the various columns in the proposal form based on the information given by the prospect. Though the awareness about insurance has picked up, we have to admit the fact that knowledge about various products of life insurance and the rights and responsibilities of the consumer is very low. In this case, the life assured has signed in Marathi and details are filled in English by the agent. In all probability, the deceased life assured might have signed on the proposal form on the basis of the trust he had in the agent from the long standing relation with the him . The Agent's Confidential Report also establishes that the agent knew the deceased life assured from past 10 years as on date of the proposal and is also related to him. The agent having known the deceased life assured for such a long time should have done his duty as primary underwriter truthfully and should have asked all relevant questions pertaining to the issuance of policy and the same should have been disclosed in the proposal form . It is up to the intermediary to do a proper underwriting at the time of soliciting the business and insurance companies have necessarily to follow it up with a quality check. I also find that the Certificate of treatment given by Dr. Veena Kulkarni shows that the deceased life assured had consulted her for the first time on 01.12.2006



(i.e. after the date of proposal) for acute depression. She has also stated that the deceased life assured had suffered from these disease since 2 years (Refer Q. 3 of Certificate of Treatment) .However it is not clear whether the 2 years period is after or before the date of first consultation. Again there is discrepancy in the reply to Q. 9 given by Dr. Veena Kulkarni where she has stated that she had treated the deceased life assured during the period from 1/2003 to 1/2006. Hence it appears to the forum that Dr. Veena Kulkarni has given these reports without applying her mind and verifying her record Thus this reports are inconsistent and lack credibility and as such cannot be considered as evidence by the forum. Also the certificate given by Dr. D.M. Bhadlikar does not state accurately when the deceased life assured had first consulted him and what was the line of treatment given . Also LIC has not been able to produce any case papers, medical reports, prescriptions prior to the date of proposal. Employer's Certificate does not show any leave taken on Medical grounds, 3 years prior to the date of proposal. I also note that the proposal has been submitted on 22.1.2006 and that a period of 2 years and 9 months had elapsed from date of commencement of risk to date of death and the deceased life assured had paid the premiums regularly and kept the policy in force. Hence I find it difficult to believe that he had an ulterior fraudulent motive to suppress the said illness while proposing for insurance and hence the scales are tilted in favor of the claimant .LIC has also admitted in their email dated 24.11.2013 that "life assured has not planned to commit suicide when submitting the proposal , suppressing the state of his mental health," which shows that he has not intentionally suppressed the facts to defraud the insurer.

Though I can not absolve the life to be assured from his responsibility to be truthful to the contract, the forum is not able to buy the defence of LIC of India that the suppression was intentional and fraudulent for the simple reason that the deceased life assured Mr. Sunil Gaikar had lived for more than 2 years and 9 months after taking the policy. The Suicide Clause which exists in the first year of the policy to rule out the malafide intention of the life assured is also not applicable in this case. Hence taking into account all aspects and going by the fact that Smt. Archana Gaikar is a poor widow with two minor children, I am inclined to provide relief to the complainant on Ex-gratia basis.

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**Complaint No. LI – 1361 (13-14)**

**Complainant: Smt.Sharmila Sahankar**

**V/s**

**Respondent : Bajaj Allianz Life Insurance Company Ltd.**

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**Award dated 28.02.2014**

Shri Charansingh Sahankar had taken Policy no. 0183801484 on 25.08.2010 and Policy no. 0184654367 on 14.9.2010 from Bajaj Allianz Life Insurance Company Ltd . Shri Charansingh Sahankar expired on 03.08.2012. When the claim was preferred by Smt. Sharmila Sahankar , Bajaj Allianz Life Insurance Company Ltd repudiated the claim vide their letter dated 30.05.2013. The basis for such decision was that at the time of proposal for assurance for the above mentioned policies , the life assured had answered the relevant sub-questions relating to health negatively , which led the insurer to believe that he was in good health at the time of proposal. Bajaj Allianz Life Insurance Company Ltd., however, stated that the aforesaid answers were false as they have evidence by way of Discharge Summary of Akanksha Hospital that before he proposed for the above policies he had taken treatment for Pulmonary TB, sero positive status and Herpes Zoster. He did not, however, disclose these facts in the proposal forms. It is, therefore, evident that he made deliberate incorrect statements and withheld correct information regarding his health at the time of effecting the assurances and hence in terms of the policy contract and the declarations contained in the form of Proposal for Assurance for the above policies, the claim was repudiated for full assured.

Aggrieved by their decision Smt.Sharmila Sahankar approached the Office of the Insurance Ombudsman. After perusal of all the documents submitted by both insurer and the complainant, the forum wrote letter to the complainant dated 06.01.2014 wherein she was asked to produce any additional evidence to contravene the decision of the insurer. On 20.01.2014, the forum received letter from the complainant stating that allegation made by the insurer that her son was admitted to Akanksha hospital, Dhule in 2009 is false as no such hospital exist in Dhule.

The letter submitted by Smt. Sharmila Sahankar was forwarded to the company vide email dated 03.02.2014 and company was asked to depute official to the forum on 07.02.2014 to give their observation on the above contention of the complainant.

On 17.02.2014, the forum received email from the company stating that on investigation done by them, they found that Akanksha Hospital is non – existent in Dhule and they are ready to settle the claim with applicable interest on delayed payment.

On 26.05.2014, the forum received email form the company stating that an amount of Rs. 95138.71 has been paid under Policy no. 183801484 and Rs. 76110.912 has been paid under Policy no. 184654367 to the complainant.

**As the dispute under policy no.s 0183801484 and 0184654367 has been settled by the Bajaj Allianz Life Insurance Company Ltd., the complaint is treated as resolved and it is closed at this Forum.**

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**Complaint No. LI – 1811 (2013 – 2014)**

**Complainant: Shri Ajay Patil**

**V/s**

**Respondent : Life Insurance Corporation of India**

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**Award dated 12.03.2014**

The deceased, Smt. Deepa Patil had taken Limited Payment Endowment Assurance plan from Life Insurance Corporation of India, Policy no. being 991442333 with date of commencement of risk being 12.01.2012 for a sum assured of Rs. 1 lakh. She expired on 26.11.2012 i.e. within 10 months and 14 days from the date of commencement of risk. When her husband, Shri Ajay Patil preferred the claim to LIC of India for settlement of the death benefit under the policy, it was repudiated on the grounds of suppression of material facts regarding her income in the proposal form.

LIC in their reply to the complainant dated 09.04.2013 stated that their investigations revealed that the deceased life assured was not having any income of her own at the time of the issuance of the policy. However in the proposal form dated 12.01.2012 to the question no. 4 which reads as follows, the deceased life assured had answered as follows .

**Q.4 A. Present Occupation - Answer - Business**

**Exact nature of duties**

**Vegetable Selling**

**Q. 5 Annual Income - Answer - Rs. 18000/-**

Since the averments made in the proposal form are the basis of the contract between the insurer and insured, the company repudiated the claim for nondisclosure of material facts.

The documents submitted to this Forum have been perused and the parties to the dispute were called for a hearing on 04.03.2014 at 2.30 p.m..

The complainant Shri Ajay Patil had authorized his brother-in-law Shri Neelam Mhatre to represent his case. Shri Neelam Mhatre appeared and deposed before the Ombudsman. Shri Neelam Mhatre that his brother-in-law, Shri Ajay Patil is having around 3-4 acres agricultural land .His sister Smt. Deepa used to help her husband in farming and during off season, they used to grow and sell vegetables. Ombudsman asked him how much was her annual income, to this he stated that it was around Rs. 20,000/-p.a. Ombudsman asked him why policy was taken on the life of Smt. Deepa when her husband is not having any insurance; to this Shri Neelam stated that his brother-in-law neither believes in savings nor insurance. Hence policies were taken on the life of his sister. He stated that his sister had one more policy on her life, policy no. being 905093991 under which claim has been settled by LIC.

LIC was represented by Smt. Jyoti Kadam – Manager (Claims) and Smt. Deepa Patil A.O. (Claims). Smt. Jyoti stated that deceased life assured had not disclosed about policy no. 905093991 in the proposal form and thus had denied LIC of proper assessment of risk. Ombudsman asked her whether disclosure of policy no. 905093991 would have affected their underwriting decision, to this she stated that it would not have affected their underwriting decision .

Having perused all the documents and heard the deposition of both the parties to the dispute, I proceeded to examine whether there is merit in the complaint preferred by Shri Ajay Patil.

It is observed from the documents submitted to the forum that policy no. 991442333 was issued to Smt. Deepa Patil under Non-Medical Scheme. Life Insurance Corporation of India during the course of their investigation into the bonafides of the claim have found that Smt. Deepa Patil was house wife and did not had income of her own as disclosed by the husband and father-in-law of the deceased life assured to the Investigating Officer of LIC. Shri Neelam Mahatre had also admitted during the course of hearing that his sister Smt. Deepa Patil was helping her husband in farm work, which establishes that she did not, had any independent income of her own. It is also observed from the proposal form that the husband of deceased life assured, Shri Ajay Patil do not have any insurance policies on his own life. As per the underwriting rules of LIC, if the life to be assured is housewife without any income of her own, she is given insurance equal to husband's insurance. Thus in case of Smt. Deepa Patil if she would have truthfully disclosed about her income, LIC would not have issued policy to her at all as per their underwriting rules.

Contracts of Insurance are contracts of Utmost Good Faith and it is the duty of an applicant to disclose correct and complete information about material facts affecting the risk. Failure to comply with this duty entitles the insurer to deny liability because the insurer's consensus was obtained by improper means i.e. by withholding information. In view of the above, LIC cannot be faulted for denying the policy monies to the claimant Shri Ajay Patil and I find no reason to intervene in the decision of repudiation by LIC .

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