

AHMEDABAD

Ahmedabad Ombudsman Centre

Case No.21-001-0222-10

Mr. Chandulal K Purwani V/s. LIC of India

Award dated 30-11-2009

Death Claim

Death claim lodged by the complainant on death of his wife late Chandrikaben K Tailyani was repudiated by the Respondent alleging incorrect statement and withholdment of material information with regard to health of DLA at the time of filling up the proposal and before commencement of the insurance.

The Respondent produced various reports like Endoscopies, Histopathology from cancer hospitals which confirm that DLA was diagnosed and suffering from Squamous cell carcinoma Grade III during the period between completion of proposal on 19-02-2008 and issuance of first premium receipt on 24-03-2008.

However repudiation of claim by the Respondent is upheld without any relief to the complainant.

Ahmedabad Ombudsman Centre

Case No.21-001-0232-10

Shri Yogeshkumar A. Modi Vs. Life Insurance

Award dated 30-10-2009

Repudiation of Permanent Disability Claim under LIC Policy.

The Life Assured fell down on a manless Railway crossing and became unconscious. Meanwhile a train passed over his legs and both the legs were amputated above the knees. Claim for permanent Disability Benefit was repudiated on the grounds that FIR lodged with police and treating doctors' Reports reflected the fact that the deceased was suffering from epilepsy(fits) which allegedly caused the accident. As such the proximate cause of disability was not accident but it was due to epilepsy.

The Complainant had given a statement in FIR to the Police Authority that because of the attack of epilepsy he fell down and hence the accident occurred. There was on record copies of the consultation of psychiatric doctor and diagnostic report confirming that the Life Assured was a patient of the epilepsy disease.

Subsequently the assured submitted an affidavit completed before Notary wherein stated that he had given statement to police because of fear that Railway may file a case against him, whereas in fact he is not a patient of epilepsy.

Because of contradictory evidences, this forum without getting into merit of the case and passing any award, left it to take other recourse to any other forum as may be considered appropriate by the complainant.

Ahmedabad Ombudsman Centre
Case No.21-001-0320-10
Mr. Anantrai N. Ganatra V/s. LIC of India
Award dated 13-01-2010
Annuity Payment

The dispute was about the installment of Annuity being fixed as Rs.977/- p.m under option 'F' instead of Rs.1139/-p.m as incorporated in the schedule of the policy bond.

The Respondent submitted that Complainant had prior to the vesting of the Annuity exercised option 'F' in place of option 'D' which was initially opted. The Respondent produced copy of letter addressed by the Complainant to the Respondent exercising option 'F'.

In the result the complaint fails to succeed.

Ahmedabad Ombudsman Centre
Case No.21-008-0512-10
Smt. Shantaben S. Parmar V/s.
Kotak Mahindra Old Mutual Fund Life Ins.Co. Ltd.
Award dated 29-03-2010
Cancellation of Policy

The Complainant was not satisfied with the policy and requested for the refund of premium by cancelling the policy. The Respondent acceded to the request in the manner which was not agreeable to the complainant.

The Respondent submitted that they had acceded to the request for cancellation of the policy by refunding the premium.

The Complainant stated that she had put her signature in the proposal form are not her but forged signature. She also stated that the product was miss sold to her by giving three different illustrations.

This forum observed that it is difficult to establish whether, signatures of the complainant on a document are genuine or forged. It is also difficult to establish that the agent had shown different illustration and sold the product.

The Complainant is deemed as beyond jurisdiction for this forum.

The complaint thus stand dissolved.

Ahmedabad Ombudsman Centre

Case No.22-001-0394-10

Mr.Rakeshchandra C. Goyal V/s. LIC of India

Award Dated 31-03-2010

Dispute regarding Premium payable in terms of the policy

The Complainant had taken Life Insurance Policy with quarterly premium of Rs.4410/- which included Cl.VII health extra premium also.

Inspection team of the Respondent raised a query that Cl.VII health extra was charged as Rs.4.01 instead of correct Rs.40.10 (10 times of basic extra), so quarterly premium should be Rs.6,215/- and not Rs.4,410/-.

The Respondent conveyed this revised premium to the Complainant which was not acceptable to him and he pleaded that instead of charging the increased premium the Respondent should charge the premium which is mentioned in first premium receipt and policy bond.

This forum observed that the Respondent had short charged extra premium due to computer mistake and consequently on pointing out by their internal inspection team brought this fact to the notice of the complainant. The Complainant's disagreement to revised premium is tantamount to take benefit from a genuine mistake.

In the result, the complaint fails to succeed.

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

Award Dated : 08.12.2009

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

Ahmedabad Ombudsman Centre
CASE NO. 21-001-0223-10
Smt. Hiragauri V. Postatria
V/S
LIFE INSURANCE CORPORATION OF INDIA

Award Dated: 30.11.2009

Repudiation of Death claim. The complainant has lodged claim on death of her husband on 22.11.2008 due to heart attack. The Respondent has repudiated the claim alleging incorrect statement and withholdment of material information with regard to DLA committed by him at the time of taking the policy. The hospital treatment certificate has confirmed that DLA was suffering from HT with ISD prior to the taking of this policy & DLA was knowing the status of health. It is established from the available evidences on records that mis-statement with regard to Health history of DLA committed by him while filling of the proposal form whereas he was aware of the correct position of health. The decision of the Respondent to repudiated the claim is upheld without any relief to the complainant.

BHOPAL

Category – Miscellaneous

Shri Anil TanwarComplainant
LIC of IndiaRespondent

Order No.BPL/LI 09-10/ 47
Case No. LI-70-21/05-09/IND
Order dated 09.10.2009

Brief Background

Shri Anil Kumar Tanwar, resident of Indore (MP) lodged the complaint that he was insured under policy no. 344172297 under Jeevan Asha- II plan no 131-25 for SA of Rs.5.00 lakhs on 28.09.2003. He had some problem in Neck for which he consulted Dr. Bihani who advised him FNA Cytology test accordingly he underwent for same test. As per FNA Cytology report of Surgipath Diagnostic Centre dated 10.03.2008 detected Non-Hodgkin's lymphoma (Cancer) and suggested biopsy for which he admitted in Arogya Nursing Home Indore on 12.03.2008 and operated for Supra Clavicular Lymphonade excision Biopsy under GA and discharged on 13.3.2008. After exact classification of disease he was checkup by Dr. SH Advani at Jaslok Hospital,Mumbai who advised him Chemotherapy treatment and took the same and cured the disease. Since, this being a major disease he claimed for the amount of Rs. 5.00 lakh under the above policy from the respondent. The respondent repudiated the same as per the exclusion clause of policy condition.

Aggrieved from the action of the respondent the complainant lodged the complaint on 29.05.2009 seeking the direction for claim payment.

The Complainant presented himself and submitted that operation was performed for the Lymphonade excision Biopsy under GA and requested for claim payment. On further inquiry by the Ombudsman that under which policy condition you have claimed the amount? But, he could not quote the same.

The Respondent represented by Manager (Claims), LIC, DO, Indore presented himself and submitted that as per the policy condition under the head COMMON EXCLUSIONS FOR BOTH MAJOR AND MINOR SURGICAL PROCEDURES states that any surgical intervention performed for diagnosis or treatment of any medical condition malignant condition this also includes conditions detected as malignant on exploration where malignancy was not clinically suspected. Further, the DMRs opinion was also called for who has also confirmed that as per the policy condition the above claim is not payable.

FINDINGS & CONCLUSIONS:-

There is no doubt that he was insured under policy no. 344172297 under Jeevan Asha- II plan no 131-25 for SA of Rs.5.00 lakhs w.e.f 28.09.2003. It is also proved that he underwent Non-Hodgkin's lymphoma (Cancer) treatment for which he has undergone the operation for biopsy on 12.03.2008.

As per the said policy condition under the head COMMON EXCLUSIONS FOR BOTH MAJOR AND MINOR SURGICAL PROCEDURES, the operation for biopsy is not qualify the payment. Hence, the decision taken by the respondent is just & fair requires no interventions.

The complaint is dismissed without any relief.

Category – Refund of Premium

Shri Halke Lal Sen Complainant

V/S

LIC of India, Jabalpur.....Respondent

**Order No.BPL/LI/09-10/54
Order dated 19.10.2009**

CASE NO. LI/07-23/04-09/JBP

Brief Background

Shri Halke Lal Sen, Resident of Hatta, Dist. Damoh (M.P.) complaint that he has taken a Policy bearing No. 371443466 and 371703077 each of Rs. 50,000/- on 15-12-1998 and 15-01-2000 which was matured and payment was made to him but the premium paid in excess Rs. 2874/- was not refunded to him. Despite of several correspondence the respondent has not refunded the same.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.23-04-09 to the Hon'ble ombudsman seeking direction to the Respondent for payment of Rs. 21874.00.

The Respondent represented by Shri Sudhakar Mehta, Manager (Claims) Jabalpur submitted that the payment was already made to the complainant on 12-10-2009 vide their cheque no. 5274 dated 12.10.2009 for Rs. 2874.00. Hence the complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policies were issued to the complainant and excess amount was paid by him to the respondent which was refunded to him.

In view of the above it is found that action taken by the Respondent is just & fair and requires no interference.

The complaint is dismissed without any relief.

Category – Refund of Premium

Shri Shyam Sunder Mishra Complainant

V/S

LIC of India, Jabalpur.....Respondent

**Order No.BPL/LI/09-10/55
Order dated 19.10.2009**

CASE NO. BA/295-21/01-09/PUNE

Brief Background

Shri Arjun Singh Thakur, Resident of Lakhnadon, Dist. Seoni (M.P.) complaint that he has invested Rs. 1.00 lakh on 06.11.2007 under single premium under two policies each of Rs. 50,000/- through the agent Shri Raj Kumar Sahu and Kaushal Singh Patel but to my surprise they have issued 03 policies bearing Nos. 74286363, 74030003 & 74008123 for Rs. 50000/-, 28000/- & 22000/- respectively under annual premium plan under the agency of a unknown agent by making a forged signature which is not tallying with my signature. His complaint to respondent pointing out the above discrepancies on receipt of the notices for the renewal premium. He immediately contacted the then Branch Manager and Manager (Sales) but they did not resolve the complaint and advised him to make the payment of premium.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.12-06-09 to the Hon'ble ombudsman seeking the direction to the Respondent for refund of premium.

The Complainant was present himself and reiterated the above facts and requested to refund the premium payment and submitted a copy of affidavit of agent Shri Rajkumar Sahu and Kaushal Patel affirming the facts that the insurance was canvassed for Rs. 1.00 lakh under single premium only in their presence.

The Respondent represented by Shri Prabhat Kumar, Asstt. Manager submitted that the policies were issued to the complainant and policies were already delivered to him in Dec 2007 along with the copies of proposal forms and with the request that if any discrepancies observed policy can be cancelled within free look period i.e. 15 days from the date of receipt of the policy. The complainant has failed to do so and complaint for the same after free look period is over. Hence as per the terms and conditions of the policy, policy cannot be cancelled and refunded the premium. The respondent has also submitted a copy of PAN card showing the specimen signature of complainant which is also not matching with the signature of the proposal form.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policies were issued to the complainant and the complaint has also not asked for refund of premium within free look period. The signatures in the proposal forms are also different at different place. The affidavit submitted by Shri Kaushal Singh Patel and Shri Raj Kumar Sahu confirms that the insurance was canvassed in their presence for single premium only. Whereas, the policies were issued under annual premium proves unfair practice of the respondent.

Insurance is a contract of UTMOST GOOD FAITH. Both the parties are expected to reveal all the material facts any misrepresentation on either side vitiate the contract ab-initio.

In view of the above it is found that action taken by the Respondent is not just & fair.

Hence the respondent is directed to refund the full premium amount with interest @9% from the date of receipt of the money till the date of refund.

Category - MISCELLANEOUS

Shri Kailash Chandra Maheshwari.....Complainant
LIC of IndiaRespondent

Order No.BPL/LI 09-10/ 44
Case No. LI-298-24/01-09/IND
Order Dated 09.10.2009

Brief Background -

Shri Kailash Chandra Maheshwari, resident of Dewas (MP) lodged the complaint that his son Manish Maheshwari was insured under policy no. 28583134 / 35 each of Rs.25000/- under plan 41-30 on 28.12.1976 which was matured on December 2006. The Maturity payment of the same has not received till date inspite of his submission of all the requirements desired by the insurance company and number of reminders to the respondent.

Aggrieved from the action of the respondent the complainant lodged the complaint on 23.01.2009 seeking the direction for maturity payment.

The Complainant not presented himself due to pre-occupation and requested to proceed in the matter on the basis of document produced by him and the decision taken by the hon'ble ombudsman will be binding to him.

The Respondent represented by Manager (Claims), LIC,DO,Indore presented himself and confirmed that payment could not be proceeded for want of original policy docket and other relevant records. The complainant has submitted the indemnity bond in lieu of original policy document; the policy is in paid up condition since December, 1987.

FINDINGS & CONCLUSIONS:-

The intimation of maturity payment has been sent by the respondent. In response of which the complainant has complied with the requirements i.e. discharge voucher and indemnity bond in lieu of original policy document. The respondent is failed to prove the payment has already been made in past.

Under the circumstances, I am of the considered opinion that the maturity payment should have been paid immediately on receipt of the requirements, unless it is proved otherwise. The respondent has not been able to find out the details of the payment if any made in past even after the lapse of 30 months from the date of receipt of the requirements.

Hence, the respondent is directed to make the payment of Rs. 24200/- alongwith panel interest within 15 days on receipt of this order, failing to which further interest @ 9% will be payable.

Category - MISCELLANEOUS

Shri OP SrivastavaComplainant
LIC of IndiaRespondent

Order No.BPL/LI 09-10/ 45

Case No. LI-355-24/03-09/IND

Order dated 09.10.2009

Brief Background -

Shri O.P. Srivastava, resident of Ujjain (MP) lodged the complaint that he was insured under policy no. 28386699 for Rs.20000/- under plan 28-30 on 11.03.1972 under Salary Saving Plan and paid the premium from his salary regularly and remitted to the respondent. The policy was matured on 11.03.2002 but the payment of the same has not yet paid despite of his continuous follow up with the respondent.

Aggrieved from the in-action of the respondent the complainant lodged the complaint on 18.03.2009 seeking the direction for maturity payment.

The Complainant presented himself and expressed his serious concern for not making payment of the policy despite of his constant follow up and submission of desired information of his transfer, deduction and remittance of premiums to the respondent.

The Respondent represented by Mr. Sarkar, Manager (Claims), LIC, DO, Indore presented himself and submitted that the policy was under Salary Saving Scheme and the complainant was transferred to several places during the term of the policy, the premiums were deducted and remitted to the respective servicing branch but could not be updated premium master due to non availability of the record at their end.

Now, after receiving the details of transfer and remittances they are in position to settle the maturity claim shortly provided the SDC programme updating the premium is received. We are making sincere efforts for the same.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was matured on 11.03.2002 and the payment has also not been made till date. It is also agreed by the respondent that due to unavailability of premium records and updation programme, they are not in position to settle the maturity claim. The policy was matured in March 2002 and 07 years are more than sufficient to get the records and updation programme, proves negligence of the respondent.

Under the circumstances, I am of the considered opinion that the maturity payment should have been paid immediately. Hence, the respondent is directed to pay the maturity payment with panel interest @ 9% within 15 days, on receipt of this order, failing which further interest @ 9% will be payable.

Category - MISCELLANEOUS

Shri Durgesh Bhuriya, LA.....Complainant
LIC of IndiaRespondent

Order No.BPL/LI 09-10/ 43
Case No. LI-280-22/01-09/IND
Order dated 09.10.2009

Brief Background

Shri Duregesh Bhuriya, resident of Indore (MP) lodged the complaint that he has invested Rs. 25000/- towards Single Premium Policy under table no. 173 (Jeevan Plus) on 31.12.2005. He has applied for surrender value on 02.07.2007, but till date he has not received the cheque for surrender value despite of his repeated reminders to the respondent.

Aggrieved from the action of the respondent the complainant lodged the complaint on 22.01.2009 seeking the direction for payment of surrender value.

The Complainant present himself and submitted that he has applied for surrender value on 02.07.2007 and thereafter I have sent a number of reminders for payment but sorry to state that still I have not received the surrender value of the above policy.

The Respondent represented by Smt. Anita, AAO (CRM), LIC,DO,Indore presented herself and confirmed that application of surrender value has been received by them but due to wrong status shown in the policy record computer is not allowing them for surrender payment, for which they are constantly following up with the SDC Deptt, Central Office through their Zonal Office. But they are failed to get it corrected till date.

On inquiry she confirmed that the total unit 2269.050 is credited under the above policy and as on the date of hearing i.e. 5.10.2009 the fund value of the above units is 44259.63 Whereas, as on the date of submission of surrender value application the fund value of the above policy was Rs. 36282.10.

FINDINGS & CONCLUSIONS:-

There is no doubt that complainant invested Rs. 25000/- towards Single Premium Policy under table no. 173 (Jeevan Plus) on 31.12.2005. He has applied for surrender value on 02.07.2007, but till date he has not received the cheque for surrender value despite of his repeated reminders to the respondent. It is also confirmed by the respondent that due to computer error they are not in a position to make the surrender value payment till date. As on the date of hearing the surrender value of the above policy comes to Rs. 44259.63.

The respondent is failed to pay the surrender amount to the complainant even after 27 months from the date of his application is unjustified and unwarranted.

The respondent is directed to pay Rs. 44259.63 to the complainant within 15 days from the date of receipt of this order failing to which further interest @ 9% will be payable.

Category - MISCELLANEOUS

Order No.BPL/LI 09-10/ 57
Case No. SBI-144-22/07-09/Mum
Order dated 13.11.2009

Shri Neeraj Kumar SahuComplainant
SBI Life Ins.....Respondent

Brief Background

Shri Neeraj Kumar Sahu, resident of Jabalpur (MP) lodged the complaint that he was insured under policy no. 28031735905 and opted for ECS mandate for paying monthly premium of Rs. 2000/- on 23.12.2008. Policy was issued to him on 29.12.2008. But the ECS mandate could not be activated because of some wrong MICR hence premiums were not deducted from the Bank account of the complainant. The respondent has debited his account for Rs. 750/- towards ECS dishonor charges. The Complainant represented to restore the ECS charges debited from his account on 23.01.2009 and 28.03.2009 and 30.05.2009.

Aggrieved from the action of the respondent the complainant lodged the complaint on 21.07.2009 seeking the direction for restoring ECS charges debited from his account.

The Complainant did not present himself and send a letter to the effect that the respondent has restored the ECS charges Rs. 750.00 debited from his policy, hence he want to close the complaint.

The Respondent represented by Shri Ankur Chhibar, Sr. Manager (Operation), SBI Life Insurance company presented himself and submitted that the ECS dishonor charges reverted by the company, hence the grievance is redressed. The complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that he was insured under the above policy and opt for ECS mandate for paying monthly premium@ Rs. 2000/-. His account was debited Rs. 750.00 towards ECS dishonor charges which was reverted by the respondent.

Since the grievance is redressed by the respondent, the complaint is dismissed without any relief.

Category - MISCELLANEOUS

Order No.BPL/LI 09-10/ 56
Case No. MX-293-20/01-09/Gur
Order dated 13.11.2009

Shri Harish Kumar PahwaComplainant
Max New York Life Ins.....Respondent

Brief Background

Shri Harish Kumar Pahwa, resident of Indore (MP) lodged the complaint that he was insured under policy no. 704141589 under plan Life Maker premium unit linked investment plan for SA of Rs. 5.00 lakh and paid with semi-annually premium Rs.25000/- on 30.09.2008. Policy was issued to him on 01.11.2008. On 11.11.2008 Shri H.K. Pahwa (Complainant) submitted an application for complaining that he did not received proper product hence he want to change the plan, again he wrote to the company to refund the premium on 22.12.2008. In response of above complaint the respondent has refunded the amount of Rs. 25000/- on 05.02.2009.

Aggrieved from the action of the respondent the complainant lodged the complaint on 29.01.2009 seeking the direction for payment.

The Complainant did not present himself and also not submitted p2, p3 form despite number of reminders.

The Respondent represented by Smt.Babita Biswas, Asstt. Manager (Operation), Max New York Life Insurance company presented herself and submitted that though the request for cancellation of policy was not received during free look period we have cancel the policy and refunded the amount on 05.02.2009. Since the issue is settled we request you to dismiss the complaint.

FINDINGS & CONCLUSIONS:-

There is no doubt that he was insured under the policy no. 704141589 and deposited amount Rs. 25000/- towards semi-annually premium was refunded to the complainant on 05.02.2009.

Since the complaint is redressed by the respondent, the complaint is dismissed without any relief.

Category - MISCELLANEOUS

**Order no BPL/LI/04-09/59
CASE No. BA/116-22/07-09/Pune
Order dated 26.11.2009**

**Shivaji Shirde Complainant
Bajaj allianz life Ins.Co.ltd.....Respondent**

Brief Background

Shri Shivaji Shirde, resident of Bhopal, M.P. complained that he has purchased policy no. 0089332597 under Unit Gain Plan for Rs. 25000/- with SA of Rs. 2.5 lakhs with the understanding only under single premium plan. However, the agent has mis-guided him and issued the policy under annual premium for 20 years. After completion of one year he received intimation for subsequent premium, he came to know that premium is payable for every year for 20 years, which is beyond his premium paying capacity. Hence, wrote to the company on 16.03.2009 to cancel the policy and refund the amount but the company did not respond.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.13-07-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

The complainant presents himself and submitted that he is illiterate and working in MANIT as worker having a income of Rs. 5000/- per month and with a liability of 3 minor children. The agent has assured him that the amount will be double within three years for which he has to pay a single premium of Rs. 25000/- and obtained a signature on blank proposal form which he did in good faith. Subsequently, on receipt of the call for renewal premium payment then only he came to know the policy was issued under annual plan for 20 years term instead of single premium which is beyond my capacity.

The respondent represented by Ms. Ruchi Shukla, Astd. Manager, submitted that the policy was issued as per the proposal form and he has not also availed option of free look period i.e.within 15 days from the receipt of the policy document, hence we are unable to refund the premium as per the policy conditions.

FINDINGS & CONCLUSIONS:-

There is no doubt that the policy no. 0089332597 issued under Unit Gain for annual premium of Rs. 25000/-for 20 years term. It is a known fact that proposal form are being filled in by the agents only and only signature are being obtained on the proposal form of the policyholder. The policyholder was uneducated. The Q. No. 5, premium frequency column is also misleading. The annual income of the proposer is only 60000/- p.a., it is difficult to convince that the person having income of only 60000/- p.a. can deposit premium of Rs. 25000/- every year which proves that it is a mis-representation of facts for the personal interest.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 25,000/- with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days from the date of receipt of this order.

Category - MISCELLANEOUS

Order no BPL/LI/04-09/60
CASE No. BA/127-20/07-09/Pune
Order dated 26.11.2009

Santosh Sena Complainant
Bajaj allianz life
Ins.Co.ltd.....Respondent

Brief Background

Shri Santosh Sina, resident of Bhopal, M.P. complained that he has purchased policy no. 0102314936 under Unit Gain Plan for Rs. 20000/- with SA of Rs. 2.0 lakhs with the understanding only under single premium plan. However, the agent has mis-guided him and issued the policy under annual premium for 20 years. After completion of one year he received intimation/telephone calls for subsequent premium, he came to know that premium is payable for every years for 20 years, which is beyond his income. Hence, wrote to the company on 16.03.2009 to cancel the policy and refund the amount.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.13-07-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

The complainant presents himself and submitted that he is uneducated and working in Pvt. Firm having a income of Rs. 1.00 lakh annually and with a liability of 06 family members. The agent has assured him that the amount will be double within three years for which he has to pay a single premium of Rs. 20000/- and obtained a signature on blank proposal form which he did in good faith. Subsequently, on receipt of the call for renewal premium payment then only he came to know the policy was issued under annual plan for 20 years term instead of single premium which is beyond his capacity.

The respondent represented by Ms. Ruchi Shukla, Astd. Manager, submitted that the policy was issued as per the proposal form and he has not also availed option of free look period i.e.within 15 days from the receipt of the policy document, hence we are unable to refund the premium as per the policy condition.

FINDINGS & CONCLUSIONS:-

There is no doubt that the policy no. 0102314936 under Unit Gain for Rs. 20000/-. It is a known fact that proposal form are being filled in by the agents only and only signature are being obtained of the policy holder. The Q. No. 5, premium frequency column is also misleading. The column of annual income of the proposer is 1.00 lakh only. It is also difficult to convince that a person having income of only 1.00 lakh p.a. with a liability of 06 family members can pay the premium of Rs. 20000/- every year, which proves that it is a mis-representation of facts for the personal interest.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 20,000/- with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days from the date of receipt of this order.

Category - MISCELLANEOUS

Order no BPL/LI/04-09/61
CASE No. BA/129-20/07-09/Pune
Order dated 26.11.2009

Balkishan Yadav Complainant
Bajaj allianz life
Ins.Co.ltd.....Respondent

Brief Background

Shri Balkishan Yadav, resident of Bhopal, M.P. complained that he has purchased policy no. 0091300248 under Unit Gain Plan for Rs. 25000/- with SA of Rs. 2.5 lakhs with the understanding only under single premium plan. However, the agent has mis-guided him and issued the policy under annual premium for 20 years. After completion of one year he received intimation/telephone calls for subsequent premium, then he came to know that premium is payable for every years for 20 years, which is beyond his capacity. Hence, wrote to the company on 16.03.2009 to cancel the policy and refund the amount, but they did not refund the amount.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.14-07-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

The complainant presents himself and submitted that his income is only 1,30,000/- p.a. and 06 members are in his family including him, the agent has obtained my signature on blank proposal form in good faith I have done it. Subsequently, he completed the form with annual term instead of single premium for 20 years term. It is very difficult for me to pay Rs. 25000/- every year from limited source of income and having a liability of 06 family members. The agent has cheated him by mis-representing that the amount will be doubled in three years and I have to pay only single premium of Rs. 25000/- which is infact is not correct. Hence, I request you to do the justice and ask the company to refund the premium with interest.

The respondent represented by Ms. Ruchi Shukla, Astd. Manager, submitted that the policy was issued as per the proposal form and he has

not also availed option of cancellation of policy during the free look period i.e. 15 days from the date of receipt of the policy document, hence we are unable to refund the premium as per the policy conditions.

FINDINGS & CONCLUSIONS:-

There is no doubt that the policy no. 0091300248 issued under Unit Gain for Rs. 25000/- for 20 years term. It is a known fact that proposal form are being filled in by the agents only and only signature are being obtained of the policy holder. The Q. No. 5, premium frequency column is also misleading. It is also difficult to convince that a person having income of only 1,30,000/- p.a. and having a liability of 06 family members, can pay annual premium of Rs. 25000/-for 20 years which proves that it is a mis-representation of facts for the personal interest.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 25,000/- with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days from the date of receipt of this order.

Category – MISCELLANEOUS

Order no BPL/LI/04-09/62
CASE No. BA/130-22/07-09/Pune
Order dated 26.11.2009

Ramdulare Solanki Complainant
Bajaj allianz life Ins.Co.ltd.....Respondent

Under Redressal of Public Grievances Rules, 1998

Brief Background

Shri Ramdulare Solanki, resident of Lakhnadaun, M.P. complained that he has purchased policy no. 0084774450 under Single Premium Century (F.D.) Plan for Rs. 25000/- which subsequently has changed into regular premium and the signature on the proposal form is different and not mine. He approached to Branch Manager to redress his complaint but he did not redressed the same and insisted to pay subsequent premium for Rs. 25000/- which he is unable to pay. He complained that the agent has mis-guided him and issued the policy under annual premium for 10 years. His income is Rs. 5000/- per month. Hence, wrote to the company on 15.06.2009 to cancel the policy and refund the amount which is also not responded by the company.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.15-07-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

The complainant present himself and submitted that he is x-ray technician in a hospital with fixed salary of Rs. 5000/- per month and having a liability of 03 member in his family. The agent has mis-guided him and assured that the amount will be doubled in three years for which he has to pay only single premium of Rs. 25000/-, but subsequently, they called me to pay Rs. 25000/- towards annual premium, which I am unable to pay and wants direction to refund the amount deposited with interest, as he is cheated by company. He has also submitted a notarized affidavit of Mr. Kaushal Patel who was his agent confirming that the insurance was canvassed for single premium only.

The respondent represented by Ms. Ruchi Shukla, Astd. Manager, submitted that the policy was issued as per the proposal form and he has also not availed option of free look period i.e. 15 days from the date of receipt of the policy document, hence we are unable to refund the premium as per the policy conditions.

FINDINGS & CONCLUSIONS:-

There is no doubt that the policy no. 0084774450 issued under Unit Gain Plan for Rs. 25000/-. It is a known fact that proposal form are being filled in by the agents only and only signature are being obtained of the policy holder. The Q. No. 5, premium frequency column is also misleading. It is also difficult to convince that a person having income of only 5000/- per month can pay premium of Rs. 25000/- every year with liability of 03 family members, which proves that it is a mis-representation of facts for the personal interest. **The affidavit of the agent Mr. Kaushal Patel also proves that the insurance was canvassed for single premium only.** At the underwriting stage the Respondent should take into consideration premium amount with annual income which is totally ignored in this case.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 25,000/- with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days from the date of receipt of this order.

Order no BPL/LI/04-09/63
CASE No. BA/128-20/07-09/Pune

V. P. Gupta
Complainant
Bajaj allianz life
Ins.Co.ltd.....Respondent

Brief Background MISCELLANEOUS

(SINGLE PRM TO REGULAR)

Shri V.P. Gupta, resident of Bhopal, M.P. complained that he has purchased policy no. 0089319311 and 89304434 under Single Premium unit gain plan for Rs. 25000/- each with the understanding that it will be doubled within 03 years. Subsequently after completion of one year he received intimation/telephone calls for subsequent premium then he came to know that premium is payable annually for 20 years term, which is beyond his capacity. Hence, wrote to the company on 16.03.2009 to cancel the policy and refund the amount.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.13-07-09 to the Hon'ble ombudsman seeking direction to the respondent to refund the premium with interest.

The complainant present himself and submitted that he is a employee of MANIT, Bhopal with salary of Rs. 1,30,000/- p.a. and having a liability of 03 member in his family. The agent has mis-guided him and assured that the amount will be doubled in three years for which he has to pay only single premium of Rs. 50000/- for which he obtained a loan from GPF and invested the same relying the agent. On receipt of reminder for renewal premium he came to know that he is cheated by the agent. To pay Rs. 50,000/- p.a. for 20 years is beyond his capacity, he seek the direction to refund his amount with interest.

The respondent represented by Ms. Ruchi Shukla, Astt. Manager, submitted that the policy was issued as per the proposal form and he has also not availed option of free look period i.e. 15 days from the date of receipt of the policy document, hence we are unable to refund the premium as per the policy conditions.

FINDINGS & CONCLUSIONS:-

There is no doubt that the policy was issued nos. 0089319311 and 89304434 under Single Premium unit gain plan for Rs. 25000/- each.

It is a known fact that proposal form are being filled in by the agents only and only signature are being obtained of the policy holder. The Q. No. 5, premium frequency column is also misleading. It is also difficult to convince that a person having income of only 130000/- per year can pay premium of Rs. 50000/- every year with liability of 03 family members, which proves that it is a mis-representation of facts for the personal interest. At the underwriting stage the Respondent should take into consideration premium amount with annual income which is totally ignored in this case.

The insurance is a contract of utmost good faith. Both the parties are expected to reveal the facts only. Any mis-representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and justice the respondent is directed to cancel the policy and refund full amount of premium i.e. Rs. 50,000/- with interest @ 9% p.a. from the date of receipt to till the date of payment within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 26th of November 2009.

**Order no BPL/LI/04-09/64
CASE No. BA/92-20/06-09/Pune**

**Smt. Jahan Ara Khan Complainant
Bajaj allianz life Ins.Co.ltd.....Respondent**

Brief Background MISCELLANEOUS

Smt. Jahan Ara khan, resident of Bhopal, M.P. complained that she has purchased a policy no. 0006812618 under Unit Gain Plan on 27.01.2005 and paid Rs. 1.00 lakh towards annual premium. Again she paid Rs. 1.00 lakh on 16.01.2006 and Rs. 1.00 lakh on 20.02.2007 towards renewal premium through Standard Chartered Bank. Out of which the 2nd premium paid on 16.01.2006 was accepted as top up premium and unitized the same. Hence, the policy was lapsed, which came to know to the complainant. She wrote to the respondent pointing out their mistake and requests them to appropriate the amount paid by her on 16.01.2006 towards renewal premium. The request was accepted by the respondent on 07.12.2007 and unitized the amount on 07.12.2007 at the prevailing market NAV i.e. Rs.37.553.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.17-06-09 to the Hon'ble ombudsman seeking direction to the respondent to rectify their mistake and unitized the amount @ of Rs.20.341 prevailing on 16.01.2006.

The complainant present herself and submitted that the amount appropriated by the company @ 37.553 is totally wrong and it should be @ 20.341 as she has paid the premium on 16.01.2006 and the NAV was @ 20.341. The respondent has wrongly adjusted the premium towards top up premium instead of annual premium which was their mistakes and she should not suffer the loss for their mistake. She also confirm that she has not submitted top up letter duly signed by her and the premium was tender at standard chartered bank office.

The respondent represented by Mr. Ankur Chawla, Deputy Manager, submitted that as per the letter dated 16.01.2006 the premium was unitized towards top up premium instead of regular premium and thereafter the renewal premium due on 16.01.2006 was not paid by the complainant the policy was in lapsed condition, therefore, 2nd renewal premium paid on 20.02.2007 kept in abeyance and informed to the complainant. The complainant requested to consider the premium paid on 16.01.2006 as renewal premium instead of top up premium. Accordingly the company has accepted her request on 07.12.2007 and the premium paid on 16.01.06 treated as renewal premium; the renewal premium

paid on 20.02.2007 kept in abeyance unitized on 07.12.2007 at the prevailing NAV as on the date.

FINDINGS & CONCLUSIONS:-

There is no doubt that she purchased the policy no. 0006812618 under Unit Gain Plan on 27.01.2005 and paid Rs. 1.00 lakh towards annual premium. Again she paid Rs. 1.00 lakh on 16.01.2006 and Rs. 1.00 lakh on 20.02.2007 towards renewal premium through Standard Chartered Bank. The complainant submitted that she neither given a letter for top up premium nor paid subsequently renewal premium due on 16.01.2006. The 2nd renewal premium also paid on 20.02.2007. However, the company has accepted the same as top up premium and unitized the same on 16.01.2006 towards 100% allocation instead of 98%. Thereafter, the premium paid on 20.02.2007 was kept in abeyance due to non receipt of 1st renewal payment due on 27.01.2006.

Order no BPL/LI/04-09/64

CASE No. BA/92-20/06-09/Pune

On receipt of the request of the complainant to treat the top up premium as 1st renewal premium due on 20.02.2007 unitized @ 35.553 on 07.12.2007 i.e. after 09 months. The respondent is directed to unitized first renewal premium paid on 16.1.2006 @ 98% of the premium amt. instead of 100% @ 20.341 and also unitized the premium received on 20.02.2007 @ NAV prevailing on 20.02.2007 within 15 days on receipt of this order and regularized the account.

Dated at BHOPAL, on 26th of November 2009.

Order No.BPL/LI 09-10/ 65
Case No. KTK-154-22/08-09/MUM

Krishna Pal SinghComplainant
Kotak Life Ins.....Respondent

Brief Background- MISCELLANEOUS

Mr. Krishna Pal Singh, resident of Gwalior (MP) lodged the complaint that he was insured under the Policy No. 01443148 and paid Rs. 25000/- towards the first premium on 26.12.2008 with the understanding that the premium term will be 03 years only. However, on receipt of the policy document only he came to know that policy is issued for 10 years term instead of three years premium and wrote immediately to the respondent to cancel the policy and refund the premium and send the policy document on 16.03.2009 by registered post and also followed up the matter by various letters. The respondent did not refund the amount and asked him again to return the original policy document for cancellation and refund the amount.

Aggrieved from the action of the respondent the complainant lodged the complaint on 18.08.2009 seeking the direction for refund the premium with interest.

The Complainant did not present himself due to marriage of his daughter and requested to proceed in the matter on the basis document submitted by him.

The Respondent represented by Shri Ashish Bhardwaj, BDM, Bhopal presented that the company has decided to refund the premium amount to the complainant but for want of policy document the process is not completed.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to complainant and the complainant already sent original policy document by registered post no. SP EI014256831IN on 18.03.2009 to Chifl Operating Officer, Kotak Mahindra, Mumbai which proves that the document has already been sent to the office of the respondent.

In view of the above respondent is directed to refund the premium with interest @ 9% from the date of receipt of the amount till the date of payment within 15 days from the date of receipt of this order, failing to which further interest @ 9% will also be payable.

Dated at BHOPAL, on 27th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 66
Case No. KTK-174-20/09-10/MUM

Smt. Snehlata NagpalComplainant
Kotak Life Ins.....Respondent

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Brief Background MISCELLANEOUS

Smt. Snehlata Nagpal, resident of Bhopal(MP) lodged the complaint that she has proposed the policy on the life of her grand daughter Ku.Pavitra under the Policy No. 00841168 and paid Rs. 99000/- towards the single premium on 31.12.2007 with the understanding that the single premium will be paid @ 99000/- and thereafter 10,000/- for two years. Accordingly, she paid Rs. 10,000/- on 31.12.2008 for which they issued the receipts on 05.03.2009. Thereafter, on 18.06.2009 the respondent advised her that Rs.10,000/- has kept in policy deposit and policy is in lapsed condition she advised for major revival form, medical test and payment of Rs. 50,000/- instead of 10,000/- to continue the policy.

Aggrieved from the action of the respondent the complainant lodged the complaint on 02.09.2009 seeking the direction for refund the premium with interest.

The Complainant represented by her husband submitted that the agent has cheated us by mis-representing the facts that only single premium of Rs. 99000/- has to pay and thereafter a minimum amount of Rs. 10,000/- will be payable only for two years. However, on payment of Rs. 10,000/- towards the subsequent premium, the company has denied to continue the policy unless Rs. 50,000/- is paid towards the renewal premium, which is not possible for them as they are retired senior citizen. He also submitted notarized affidavit of Shri Mukesh Jain, who has introduced Mrs. Snehlata to Vinesh Arora and also present at the time of canvassing of the policy by Mr. Vinesh Arora, Sales Manager of Kotak Mahindra . He also confirm that the premium was payable for Rs.99000/- for the first year and thereafter Rs. 10,000/-.

The Respondent represented by Shri Ashish Bhardwaj, BDM, Bhopal that the policy was issued for 13 years term with premium payment term for 05 years and the policy was issued under Kotak Safe Investment Plan as per the proposal form signed by the proposer. As per the terms & conditions of the policy reduction of premium is not permissible, hence the request of the complainant could not be accepted. We have advised the complainant to comply with the revival requirement which she fail hence we have refunded the amount of Rs. 10,000/- kept in suspense on 30.10.2009.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to complainant with the understanding of single premium of Rs. 99000/- and subsequent two premiums for Rs. 10,000/-. The affidavit of Mr. Mukesh Jain confirms the above facts, which proves that the insurance was canvassed by mis-representing the facts by the Sales Manager for his personal interest.

Insurance is a contract of utmost good faith, any mis-representation on either side vitiates the contract ab-initio.

In view of the above respondent is directed to refund the premium amount of Rs. 99000/- with interest @ 9% from the date of receipt of the amount till the date of payment within 15 days from the date of receipt of this order, failing to which further interest @ 9% will also be payable.

Dated at BHOPAL, on 27th of NOVEMBER 2009.

Category - Miscellaneous

Order No.BPL/LI 09-10/ 69

Case No. LIC-197-20/09-09/GWL

Smt. Shanti Devi Dubey.....Complainant
Life Insurance Corporation of India, Gwalior.....Respondent

Brief Background

Smt. Shanti Devi Dubey, w/o Shri Rameshwar Dayal Dubey (DLA) resident of Gram Mundeni Distt. Shivpuri (M.P.) lodged the complaint that her husband was insured under the Policy No. 201615752 under Plan & Term 91-12 for S.A. of Rs.95,000/- with quarterly mode of payment on 23.12.2007. He died on 26.02.2008. Claim preferred by complainant was paid for Rs. 88001/- instead of Rs. 95000/-.

Aggrieved from the action of the respondent the complainant lodged the complaint on 24.08.2009 seeking the direction for full sum assured amount including bonus.

The Complainant did not present herself despite our letter dated 03.11.2009.

The Respondent represented by Shri P.K. Tripathi, Manager(Claims), Gwalior submitted that the bonus Rs. 3610.00 together with interest Rs. 137.00 total amount Rs. 3747.00 has been paid by Shivpuri Branch vide their cheque no. 54981 dated 6.11.2009 and send the same by registered post no. 58 dated 07.11.2009. Further they clarified that the amount Rs. 6999.00 was deducted towards the quarterly premium due from March 08 to September 08, as only one quarterly premium was paid by the DLA instead of a yearly premium. Now the payment has already been made to the complainant, the complaint may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy No. 201615752 under Plan & Term 91-12 for S.A. of Rs.95,000/-. He died on 26.02.2008. The death claim was paid for Rs. 88001/- on 07.03.2009 and further payment of bonus was paid Rs. 3610.00 together with panel interest Rs. 137.00 total amount Rs. 3747.00 has been paid on 06.11.2009 after deduction of 03 outstanding quarterly premium. In view of the above action taken by the respondent is just & fair, requires no intervention.

The complaint is dismissed without any relief.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 70
Case No. LIC-161-24/08-09/Bpl

Shri Narendra Kumar YadavComplainant
Life Insurance Corporation of India, BhopalRespondent

Brief Background - Miscellaneous

Shri Narendra Kumar Yadav resident of Bareilly, Distt. Raisen (M.P.) lodged the complaint that his nephew(Bhanja) was insured under the Policy No. 352218677 under Plan & Term 174-20 for S.A. of Rs.40000/- on 05.09.2005. He died on 14.08.2006 due to fever. Claim preferred by complainant was repudiated by the respondent on the ground of suspicious claim.

Aggrieved from the action of the respondent the complainant lodged the complaint on 24.08.2009 seeking the direction to pay the full sum assured amount including bonus.

The Complainant did not present himself despite our letter dated 03.11.2009.

The Respondent represented by Shri K. Ganga, Manager(Claims), Bhopal submitted that being an early death claim investigation was conducted which reveals that the nomination was done other than nearer relative i.e. in favour of nephew despite his brother and sisters were alive; seems to be suspicious. Due to detailed investigation the payment is delayed however, now we have settled the death claim and in favour of nominee and the complainant vide their cheque no. 690818 dated 19.11.2009 for Rs. 40,000/- to the nominee i.e. complainant.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above Policy No. 352218677 under Plan & Term 174-20 for S.A. of Rs.40000/- was taken on 05.09.2005. The death has occurred on 14.08.2006 and the claim is paid on 19.11.2009 which reveals that there is in-ordinate delay on the part of respondent to settle the claim.

The respondent is directed to pay panel interest to the complainant at the prevalent rate of interest for panel interest within 15 days from the date of receipt of this order, failing to which further interest @ 9% will be payable.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 72
Case No. LIC-159-24/08-09/BPL

Smt. Kaushalya Bai Lavvanshi.....Complainant
Life Insurance Corporation of India, BPLRespondent

Brief Background - Miscellaneous

Smt. Kaushalya Bai Lavvanshi w/o Late Shri Chandar Singh Lavvanshi, resident of Gagahoni, Tehsil Biaora Distt. Rajgarh (M.P.) lodged the complaint that her husband late Shri Chandar Singh Lavvanshi was insured under the Policy No. 353331218 under Plan & Term 180-20 for S.A. of Rs.50,000/- on 24.03.2007. He died on 07.10.2007 due to murder. Accident Benefit preferred by the complainant repudiated by the respondent on the ground of murder, which does not come under the purview of accident.

Aggrieved from the action of the respondent the complainant lodged the complaint on 20.08.2009 seeking the direction to pay double accident benefit.

The Complainant did not present herself despite our letter dated 06.11.2009. Hence, ex-party hearing was conducted.

The Respondent represented by Shri K. Ganga, Manager(Claims), Bhopal submitted that the Basic Sum Assured under the policy has already been paid to the complainant. Since the murder is not covered under the purview of accident benefit; double accident benefit has not been paid to the complainant.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above Policy No. 353331218 under Plan & Term 180-20 for S.A. of Rs.50,000/- on 24.03.2007. He died on 07.10.2007 due to murder.

As per the copy of judgment Premnarayan and Dhurilal (culprit) were abusing to Gopal, for which he was forbidding. Annoying from that they attacked on him with knife and injured him; to save himself Gopal went in his house. Meanwhile Chandar Singh (younger brother of Gopal) came out, they caught him and attacked on him with knife and he died. Since the murder has occurred without any provocation from the side of DLA . Hence it is proved that it was an accident. I am therefore of the considered opinion that the decision taken by the respondent is not just & fair.

Decision :-

The respondent is directed to pay Rs. 50,000/- for double accident benefit to the complainant / nominee within 15 days from the date of receipt of this order, failing to which further interest @ 9% will be payable.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

**Order No.BPL/LI 09-10/ 75
Case No. LIC-331-24/03-09/JBP**

**Smt. Tirtha DeviComplainant
Life Insurance Corporation of India, JBPRespondent**

Brief Background – Miscellaneous

Smt. Tirtha Devi w/o Shri Rambhujarat (DLA) resident of Chandameta Tahsil Parasia Distt. Chhindwara (M.P.) lodged the complaint that her husband late Shri Rambhujarat was insured under the policy no. 371506217 for Rs. 1.00 lakh under plan no. 111-25 on 28.01.1995. He died on 24.02.2008 due to Electric Current. Claim preferred by complainant, the respondent paid Rs. 13410.00 instead of Rs. 1.00 lakh.

Aggrieved from the action of the respondent the complainant lodged the complaint on 02.03.2009 seeking the direction to pay the full sum assured amount.

The Complainant presents herself and submitted that premiums were deducted from the salary of DLA by their employer. He has also some another policies for which she has received the claim amount, but only under this policy she got only Rs. 13410.00, which is unjustified and requested for the payment of Rs. 1.00 lakh.

The Respondent represented by Shri Sudhakar Mehta, Manager(Claims), Jabalpur submitted that the premiums were being deducted from his salary which shows 09 gaps of premium, the policy was under lapsed condition, hence as per the terms & conditions of the policy the refund of premium is payable, which we have already paid. The details of gap in premium we has also been submitted to the complainant and advised to show the proof if the premiums had been deducted from his salary, which he fails to submit.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy no. 371506217 for Rs. 1.00 lakh under plan no. 111-25 on 28.01.1995. He died on 24.02.2008 due to Electric Current. Since the policy was under lapsed condition due to non payment of 09 monthly premiums, refund of premium paid by the respondent is just & fair and requires no intervention.

The complaint is dismissed without any relief.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 77

Case No. HDFC-212-20/09-09/Mum

Shri Shabbir AliComplainant
HDFC Standard Life Insurance Co.....Respondent

Brief Background - Miscellaneous

Shri Shabbir Ali resident of Indore (M.P.) lodged the complaint that he has purchased a policy no. 13146866 from HDFC Standard Life on 11.09.2009 against the surrender value of his two previous policies purchased in April 2004. On receipt of the policy document he did not found suitable to him. Hence, asked for the refund of premium, which the company did not refunded.

Aggrieved from the action of the respondent the complainant lodged the complaint on 15.10.2009 seeking the direction to refund the amount deposited by him.

The Complainant did not present himself despite our letter dated 04.12.2009 and also conveyed to him on telephone. On 16.12.2009 intimating again for the hearing he confirmed that he has received the cheque for Rs. 30789.85 from the respondent, hence he wants to withdraw the complaint.

The Respondent presented by Shri Chaturvedi, Legal Officer, HDFC Standard Life Bhopal confirmed that policy was issued to the complainant against the surrender value of his previous two insurance policies and on the basis of illustration letter submitted by the complainant. On receipt of his request for cancel the policy during freelook period we have refunded the amount of Rs. 30789.85 vide cheque no. 486021 on 26.10.2009.

FINDINGS & CONCLUSIONS:-

There is no doubt that the LA was insured under the policy no. 13146866 and opted for free look cancellation and accordingly the company has refunded the amount to the complainant on 26.10.2009.

In view of the above the complaint is dismissed without any relief.

Dated at BHOPAL, on 17th of DECEMBER 2009.

**Order No.BPL/LI 09-10/ 82
Case No. RI-147-22/08-09/Mum**

**Shri Brajesh Rathore.....Complainant
Reliance Life Insurance Co.....Respondent**

Brief Background – Mis-sale

Shri Brajesh Rathore resident of Seoni Malwa Distt. Hoshangabad lodged the complaint that he has taken Reliance Life Insurance Company’s Policy No. 12075963 under investment plan for Rs. 50,000/- with the understanding for single premium on 19.06.2008. The duplicate policy received by him on 27.05.2009, on verifying the same he came to know that the policy was issued under annual premium instead of a single premium, hence, he immediately wrote to the company to cancel the policy under freelook period and refund the amount. Despite of repeated reminders from the complainant the respondent did not refund the amount under the plea that the free look period starts from the date of receipt of original policy document which was sent to you on 23.06.2008.

Aggrieved from the action of the respondent the complainant lodged the complaint on 03.08.2009 seeking the direction to refund the amount Rs. 50,000 with interest.

The Complainant presents himself and submitted that he has taken the policy with the understanding for single premium for Rs. 50,000/- and the amount will be doubled within 03 years. However, I have not received the original policy document, on my representation they issued me a duplicate policy which I received on 27.05.2009, after going through the same I came to know that the policy was issued for annual premium instead of single premium. Immediately I wrote to the respondent on 27.05.2009 to cancel the policy and refund the amount within free look period. In reply of which they refused to make the payment under the plea that free look period is over.

The Respondent represented by Shri Mohd. Zakaria, Manager (Operation), Bhopal submitted that the original policy was issued on 19.06.2008 and the duplicate policy was issued to him on 02.05.2009, on receipt of the complaint from the complainant having not receipt of the original policy document. The free look period is start from the receipt of the original policy document and not on the receipt of duplicate policy. The complainant requested to refund the premium on 27.05.2009 is after the free look period is over. Hence, refund of premium is not possible as per the terms & conditions of the contract.

The respondent was asked to produce the receipt of original policy document duly signed by the complainant which he fails to submit even after 03 days granted to him for the submission.

FINDINGS & CONCLUSIONS:-

There is no doubt that the Policy No. 12075963 under investment plan for Rs. 50,000/- taken by the complainant with the understanding for single premium on 19.06.2008. It is proved that the duplicate policy received by him on 27.05.2009. The respondent is failed to submit the acknowledgement of the original policy document duly signed by the complainant. The free look period starts only after receipt of the policy document by the policyholder.

In view of the above it is found that the complainant has received the policy document on 27.05.2009 and on the same day he submitted the application for cancellation of policy to be treated as **within free look period**. Further the policy was issued wrongly under annual premium instead of single premium. The decision of the respondent is not just & fair.

Insurance is a contract of utmost good faith, both the parties are expected to reveal all the material facts, failing to which vitiate the contract ab-initio.

Hence the respondent is directed to refund Rs. 50,000/- with Interest @ 9% from the date of the receipt of the premium to till the date of payment, within 15 days from the date of receipt of this order, failing to which further interest @ 9% will be payable

Dated at BHOPAL, on 18th of DECEMBER 2009.

Order No.BPL/LI 09-10/ 83
Case No. BA-214-20/10-09/pune

Shri Shyam Singh Thakur.....Complainant
Bajaj Allianz Life Insurance Co.....Respondent

Brief Background – Miss-sale

Shri Shyam Singh Thakur resident of Bhopal lodged the complaint that he has taken Bajaj Allianz Life Insurance Company's Policy No. 0102506313 on his own life and policy no. 0102618730 on the life of his wife Smt. Rekha Singh Thakur for single premium of Rs. 50,000/- and issued a cheque for the same on 04.07.2008. Proposal form was filled in by Shri Sanjay Sharma, Branch Manager and policy was issued for three years annual premium instead of single premium by making an authenticated correction, which he came to know only when he received a call for the payment of subsequent premiums. He immediately lodged the complaint on 13.05.2009 to cancel the policy and refund the amount and followed up by the reminders, but he did not get any response from the respondent.

Aggrieved from the action of the respondent the complainant lodged the complaint on 21.10.2009 seeking the direction to refund the amount Rs. 1.00 lakh with interest for compensation for mental agony and expenses.

The Complainant presents himself and submitted that he has taken the policy with the understanding for single premium for Rs. 50,000/- each, but the Branch Manager has issued the policy for 03 years term with annual term instead of single premium. On receiving a call for the renewal premium, he came to know that he has been cheated by the Branch Manager, by making correction in proposal form without his knowledge hence, applied for the cancellation of the policy and refund the amount, which he did not receive despite of his several reminders since May 2009. He should be compensated for mental agony and loss of interest.

The Respondent represented by Shri Ankur Chawla, Deputy Manager, Bhopal submitted that the policy was issued wrongly under annual premium instead of Single Premium and company has decided to refund the premium waiving the expenses and risk premium. I have brought a cheque each of Rs. 50,000/- to deliver to the complainant.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above Policies were issued to the complainant and it is proved that the policies were issued towards annual premium instead of single premium. The proposal form is filled in for single premium only, hence the respondent has agreed their mistake and cancelled both the policies and prepared the cheque of Rs. 50,000/- each to deliver to the complainant. The complainant claimed the amount with interest and compensation for mental agony, hence, he refused to accept the cheques.

Insurance is a contract of utmost good faith, both the parties are expected to reveal all the material facts, failing to which vitiates the contract ab-initio.

Hence the respondent is directed to refund Rs. 50,000/- under each policy with Interest @ 9% from the date of the receipt of the premium to till the date of payment, within 15 days from the date of receipt of this order, failing to which further interest @ 9% will be payable.

Dated at BHOPAL, on 07th of JANUARY 2010.

Order No.BPL/LI 09-10/ 84
Case No. BA-191-20/09-09/pune

Shri Pradeep UpadhyayComplainant
Bajaj Allianz Life Insurance Co.....Respondent

Brief Background – Miss-sale

Shri Pradeep Upadhyay resident of Darry Distt. Korba (C.G.) lodged the complaint that he has taken Bajaj Allianz Life Insurance Company's Policy No. 0081622998 on his own life and paid Rs. 50,000/- towards the single premium on 31.07.2008. The policy was canvassed by Agent Smt. G. Radha and Shri D.Sengupta jointly and the Proposal form was filled in by Shri D. Sengupta, Branch Manager with the understanding that the Policy will be under single premium. Relying on him he purchased the policy and did not bother to checked it on receipt of the policy document. On receipt of a call for payment of renewal premium, he came to know that policy was issued under regular premium for 10 years term. He immediately lodged the complaint on 20.08.2009 to the respondent. The respondent replied on 29.10.2009 expressing their inability to refund the premium as the application is received after free look period is over.

Aggrieved from the action of the respondent the complainant lodged the complaint on 11.09.2009 to the respondent.

The Complainant did not present himself again and requested to proceed in the matter in his absence. He sent a fax letter dated nil signed by Smt. G.Radha agency code no. 1000488329 stating that the policy was canvassed for single premium only in her presence.

The Respondent represented by Shri Ankur Chawla, Deputy Manager, Bhopal submitted that the policy was issued as per the proposal form. Free look period was given to the complainant to cancel the policy but did not applied for the same. Further he has also paid Rs. 25000/- towards the renewal premium. Since the free look period is over money cannot be refunded as per the terms & conditions of the policy.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above Policy was issued to the complainant for annual premium. It is proved by the statement of agent Smt. G.Radha that the policy was canvassed in presence of her and Branch Manager Shri D.Sengupta for single premium only.

Insurance is a contract of utmost good faith, both the parties are expected to reveal all the material facts, failing to which vitiate the contract ab-initio.

Hence the respondent is directed to refund Rs. 75,000/- under the policy with Interest @ 9% from the date of the receipt of the premium to till the date of payment, within 15 days from the date of receipt of this order, failing to which further interest @ 9% will be payable.

Dated at BHOPAL, on 07th of JANUARY 2010.

Order No.BPL/LI 09-10/ 86
Case No. TATA-235-23/11-09/Mum

Shri Vishal ShivhareComplainant
TATA AIG Life Insurance Co.....Respondent

Brief Background - Miscellaneous

Shri Vishal Shivhare, resident of Ashtha Distt. Sehore (M.P.) lodged the complaint that his father Late Shri Prem Narayan Shivhare was covered under Health Insurance Policy No. U-086822901 for SA of Rs. 3.65 lakhs, he died on 06.01.2009. Claimed preferred by the complainant for Rs. 3.65 lakhs, but respondent paid him only Rs. 2933.28 towards fund value on the ground that death benefit was not opted.

Aggrieved from the action of the respondent the complainant lodged the complaint on 04.11.2009 to the respondent.

The Respondent represented by M/s Sapna Korde, Manager(Operation), Bhopal presented herself and submitted that the policy is issued as per the proposal form completed and signed by the DLA. In the proposal form he has opted for hospitalization benefit and surgical benefit @ 500/- and 10,000/- respectively and he has not opted the death benefit, hence the claim is rightly paid to the complaint as per the terms & conditions of the policy mentioned in the document under the para no. 3 (a) **Death Benefit**. The complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that the DLA was covered under the above insurance scheme for daily hospital benefit and surgical benefit @ 500/- and 10,000/- respectively. The proposal form filled in by the DLA on 29.11.2008 does not reveal that the he has opted for death benefit. The policy condition 03(a) states that “If the covered member dies while the policy is in force and before the maturity date, we will pay to the Nominee the Total Fund Value of the policy at the applicable Unit Price as specified in the section cut-off Daily Hospital Benefit (as defined in the section “Daily Hospital Benefit”) of the covered member subject to the percentage applicable to the procedure/surgeries in Table of Surgical Procedures/Surgeries.”

In view of the above, it is found that respondent’s action to refund the fund value Rs. 2933.28 is justified requires no intervention.

The complaint is dismissed without any relief.

Dated at BHOPAL, on 12th of JANUARY 2010.

Order No.BPL/LI 10-11/ 87
Case No. KTK-209-22/10-09/Mum

Shri R.S. BhatiComplainant
Kotak Life Insurance Co.....Respondent

Brief Background – Miscellaneous

Shri Ravindra Singh Bhati, resident of Vidisha (M.P.) lodged the complaint that he has taken an insurance Policy No. 002636455 in March 2007 and paid Rs. 99800/- towards the First annual Premium. Due to some financial problem he did not paid renewal premium due in April 2008 and paid Rs. 99800/- on 23.03.2009 and 99800/- on 23.04.2009 and submitted major revival requirements. The respondent did not revived the policy due to health problem and refunded the amount of Rs. 1,99600/- and forfeited the first premium paid by the complainant.

Aggrieved from the action of the respondent the complainant lodged the complaint on 19.10.2009 seeking the direction for refund of first premium amount Rs. 99800/-.

The Respondent represented by Shri Sumit Arya, Asst. Br.Mgr, Bhopal presented himself and submitted that the policy was issued for 10 years term with yearly mode of premium. The complainant has failed to pay the renewal premium due on April 2008 and lastly paid on 23.04.2009. At that time the policy was in lapsed condition for the revival of the same we have called for some medical reports which reveals that the complaint was suffering from heart disease hence, as per the advice of our medical referee we have drop the case for revival and refunded the amount kept in deposit. If the party has paid the premium of April 2008 on time the policy would have been in force and there may not be an occasion to refuse the revival of the policy, because of the failure ness of the complainant to pay the premium on time the policy lapsed and could not be revived due to his heart problem. As per the terms & conditions of the policy mentioned in the document if the premiums are not paid for less than 03 years, is not refundable. Hence, we are unable to refund the amount.

FINDINGS & CONCLUSIONS:-

There is no doubt that the policy was issued to the complainant and lapse after payment of first premium, it is also proved that the complainant has applied for revival and the same was rejected by the Respondent and refunded amount Rs. 198600/-. Now the issue is for refund of first premium paid by the complainant. As per the fund statement provided for the period from 01.04.2007 to 31.07.2008, the closing balance is 3117.79966 at the NAV rate 32.2122 is at the credit of the complainant. The Fund value for the price of Rs. 28.9100 for closing units of 3117.79966 is Rs. 90,150.80 after deducting administration charges, mortality charges and service tax and education cess Rs. 7153.66 is the property of the complainant cannot be allow to usurp by the company.

The complainant has deposited the amount of subsequent premiums and also complied with revival requirement proves his intention to continue the policy, but due to his health it was not accepted by the respondent. Under the circumstances I am of the considered opinion that respondent's action is not just & fair and directed to refund the fund value Rs. 90,150.80 within 15 days from the date of receipt of this order, failing of which interest @ 9% will be payable.

Dated at BHOPAL, on 29th of JANUARY 2010.

Order No.BPL/LI 10-11/ 89

Case No. SBI-278-22/12-09/Mum

Shri Ramgopal SahuComplainant
SBI Life Insurance Co.....Respondent

Brief Background - Missale

Shri Ramgopal Sahu, resident of Distt. Anuppur (M.P.) lodged the complaint that he has purchased the insurance Policy No. 24041925304 on 07.03.2008 and invested Rs. 3.00 lakh as single Premium. The agent has misguided him and obtained the signature on the blank proposal form. He assured him that the amount Rs. 3.00 lakh will become 15 lacs after 05 years. On receipt of the reminder for subsequent premium he came to know that policy is issued for annual premium for 05 years instead of single premium, he immediately wrote to the company to cancel the policy and refund the amount, but did not get any response.

Aggrieved from the action of the respondent the complainant lodged the complaint on 24.12.2009 seeking the direction for refund of amount of Rs. 3.00 lakhs with interest.

The Respondent represented by Shri Ankur Chhibar, Sr. Manager (Operation), Bhopal presented himself and submitted that the policy is issued on the basis of proposal form received by them and there is no any correction or alteration on the proposal form. Hence the policy is issued correctly. As per the terms & condition of the policy if the subsequent premium are not paid the first premium of the policy will be forfeited.

FINDINGS & CONCLUSIONS:-

There is no doubt that the policy was issued to the complainant and he paid Rs. 3.00 lakhs towards the first premium. The proposal form also proves that policy is opted for the 05 years annual term, but looking to the age and occupation of the complainant it seems that policy is wrongly issued by taking dis-advantage of illiteracy of the complainant. It is known fact that proposal forms are being filled in by the agent only, and only signatures are obtained on the blank proposal form. The premium paying capacity of the complainant is over-looked at the time of underwriting. The Insurance is contract of utmost good faith, any misrepresentation on either side vitiate the contract ab-initio.

Under the circumstances I am of the considered opinion that respondent's action is not just & fair and directed to pay Rs. 3.00 lakh with 9% interest from the date of receipt of the premium to till the date of refund, within 15 days from the date of receipt of this order, failing of which interest @ 9% will be payable.

Dated at BHOPAL, on 29th of JANUARY 2010.

Order No.BPL/LI 10-11/ 91
Case No. MAX-200-20/09-09/Gur

Smt. Preeti KhodreComplainant
Max Newyork Life Insurance Co.Respondent

Brief Background – Missale

Smt. Preeti Khodre, resident of Bhopal (M.P.) lodged the complaint that she was insured under Policy No. 389277997 and paid Rs. 6000/- towards the first premium in March 2009. She received the policy on 11.05.2009 through her agent. On receipt of the policy document she found that policy was not issued as per her requirements, hence she wrote to the company on 15.05.2009 for cancellation under free look period and refund the premium. The respondent refuse to refund the amount as the request for cancellation of the policy was issued after free look period is over. The policy was issued to her on 30.03.2009.

Aggrieved from the action of the respondent the complainant lodged the complaint on 19.11.2009 seeking the direction to refund the premium with interest.

The respondent presented and submitted that they have already made the payment of Rs. 9356/- vide cheque no. 687035. Hence the complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to the complainant and she applied for the cancellation of the policy on 15.05.09. The respondent has submitted that they have settle the issue by refunding the amount of Rs. 9356, the same has also been confirmed by the complainant that she has received the cheque.

Under the circumstances it is found that respondent's action is just & fair, requires no intervention.

Hence the complaint is dismissed without any relief.

Dated at BHOPAL, on 16th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 94
Case No. KTK-271-22/12-09/Mum

Shri Jeevan Lal NamdeoComplainant
Kotak Mahindra Life Insurance Co.Respondent

Brief Background -Miscellaneous

Shri Jeevan Lal Namdeo, resident of Bhopal (M.P.) lodged the complaint that his wife Smt. Kesar Namdeo, aged 61, was insured under Policy No. 01718605 on 30.09.2009 for SA of Rs. 2.50 lakhs with yearly premium of Rs. 49900/- for ten years. He was assured growth return @ 12.75%. On receipt of the policy document on 03.11.2009, he find that the return of 12.75% was not mentioned in the policy document and the policy was made for 10 years term instead of 05 years. Hence, he immediately requested to surrender the policy to local office of the respondent on 09.11.2009, which was regretted by the respondent under the plea that request is received after free look period is over.

Aggrieved from the action of the respondent the complainant lodged the complaint on 18.12.2009 seeking the direction to refund of premium amount with interest.

The respondent presented by Shri Ashish Bhardwaj submitted that Policy was issued to the complainant as per the proposal form and illustration letter signed by him, wherein it is never mentioned growth rate @ 12.75%. The policy was delivered at his residential address on 07.10.2009 which was received by Ms. Jyoti, as per the POD of Blue Dart, whereas the request for free look cancellation was received on 09.11.2009. Hence, as per the terms & condition of the policy, since the free look period is over, refund of premium cannot be done.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to the LA on 30.09.2009, it is also proved that the policy document was delivered to the neighbour Ms. Jyoti on 07.10.2009 in the absence of Mr. Jeevan Lal Namdeo. As per the railway reservation ticket, it proves that Mr. Namdeo has returned to Bhopal on 03.11.2009 and he received the policy on the same date. In our opinion the free look period starts from the date when the complainant has received the document i.e. 03.11.2009 and not from 07.10.2009 the date on which the policy document was delivered to the neighbour.

Therefore, it is found that the application for free look cancellation is valid on the date of submission i.e. on 09.11.2009 and the respondent's decision **not to refund the premium amount is not fair & just.**

Hence, the respondent is directed to pay Rs. 49990/- with interest from the date of receipt of the premium amount to till the date of making the payment, within 15 days to receipt of this order.

Dated at BHOPAL, on 17th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 95

Case No. KTK-260-21/12-09/Mum

Shri Akhilesh JainComplainant
Kotak Mahindra Life Insurance Co.Respondent

Brief Background – Miscellaneous

Shri Akhilesh Jain, resident of Bhopal (M.P.) lodged the complaint that he has purchased the Policy No. 00847559 for SA of Rs. 15.00 lakh for 10 years term on 07.01.2008. He had a Fixed Deposit account with Kotak Bank and FD was matured invested with Kotak Life Insurance with the understanding that he will pay Rs. 3.00 lakhs as first deposit and thereafter 10,000/- for 05 years as subsequent premium. After the completion of 01 year he deposited Rs. 10,000/- towards the subsequent premium which was refused by the respondent and asked him to pay Rs.50,000/- to continue the policy. Hence he applied for cancellation of the policy contract and refund of premium, despite of several reminders and personal follow up, the respondent has not refunded the amount.

Aggrieved from the action of the respondent the complainant lodged the complaint on 09.12.2009 seeking the direction to refund of premium amount with interest.

The respondent presented by Shri Ashish Bhardwaj submitted that Policy was issued to the complainant as per the proposal form no. NR 305072 under Platanium Advantage Plan, but subsequently, the option was changed and policy was issued for Rs. 15.00 lakh s.a. with yearly premium of Rs. 3.00 lakhs p.a. for 10 years. As per the terms & condition of the policy the premium is payable for Rs. 3.00 lakhs p.a., however, if the complainant has not paid the same and ask for the reduction in s.a. and premium as goodwill gesture he is permitted to pay Rs. 50,000/- as per the plan features approved by the IRDA. The complaint may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

1. There is no doubt that on the basis of the proposal form no. NR 295454 dated 23.12.2007, the above policy was issued to the LA on 07.01.2008 which was subsequently replaced by NR 305072 dated 07.01.2008 by the respondent without the knowledge of complainant proves miss-selling.
2. The acceptance of subsequent premium amount for Rs.10,000/- p.a. and to ask for Rs. 50,000/- subsequently along with the request for reduction in Sum Assured again proves miss-selling.
3. Insurance is a contract of utmost good faith, any mis-representation on either side is vitiate the contract ab-initio.

In view of the above, it is found that it is a clear cut case of miss-selling, hence vitiate the contract ab-initio.

The respondent is directed to refund Rs. 3,10,000/- with @9% interest from the date of receipt of the premium amount to till the date of making the payment, within 15 days to receipt of this order failing of which further penal interest @ 9% will be payable.

Dated at BHOPAL, on 17th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 96
Case No. RI-283-22/12-09/Mum

Smt. Manju BhatiaComplainant
Reliance Life Insurance Co.Respondent

Brief Background - ~~Missale~~

Smt. Manju Bhatia, resident of Harda (M.P.) lodged the complaint that she has invested Rs. 2.50 lakhs in the name of Shri Arun Bhatia, Jyoti Bhatia and herself for a single policy No. 15173630, 15172674 and 15172983 on 05.09.2009 from Brajesh Kushwaha under Super automatic Investment Plan. On receipt of the policy on 14.10.2009 she came to know that policy was issued for regular premium instead of single premium, she immediately wrote to the company to convert the policy into single premium and if it is not possible then refund the money with interest. Despite of several personal follow up and reminders she did not received any response from the respondent.

Aggrieved from the action of the respondent the complainant lodged the complaint on 30.12.2009 seeking the direction to refund of premium amount with interest.

The respondent presented by Shri Abhishek Kathuria, Dy. Zonal Operation Manager, Central Zone submitted that the policy was issued to the complainant as per the proposal form completed by the complainant, however, on receipt of the complainant we came to know the policy was issued in advertently under regular plan instead of single premium. To rectify the error we requested the complainant the sign for proposal form to change premium mode to regular to single, on the basis of prevailing NAV, which she did not submit. Hence, the policy is not converted into single premium.

FINDINGS & CONCLUSIONS:-

4. here is no doubt that the above policies were issued to the complainants under annual premium instead of single premium.
5. The letter dated 05.09.2009 of Shri Brajesh Kushwaha, SM of the respondent is confirming that he has received premium for single premium only.
6. Through the letter dated 14.10.2009 issued by Shri Brajesh kushwaha, SM of the respondent again confirmed while handing over the policies to the complainant that the policies are under single premium only, which proves that it is a clear cut case of miss-selling.
7. Insurance is a contract of utmost good faith, any mis-representation on either side is vitiate the contract ab-initio.

In view of the above, I am of the considered opinion that the respondent's action is not fair & just and directed to refund Rs. 2,50,000/- with @6% interest from the date of receipt of the premium amount to till the date of making the payment, within 15 days to receipt of this order.

Dated at BHOPAL, on 17th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 97
Case No. RI-249-22/11-09/Mum

Smt. Kaushalya SharmaComplainant
Reliance Life Insurance Co.Respondent

Brief Background – Missale

Smt. Kaushalya Sharma, resident of Bhopal (M.P.) lodged the complaint that she has invested Rs. 2.00 lakhs towards the single policy No. 14746147 on 25.06.2009. On receipt of the policy document she came to know that policy was issued for regular premium instead of single premium, she immediately wrote to the company to cancel the policy and refund the premium amount. Despite of several personal follow up and reminders she did not received any response from the respondent.

Aggrieved from the action of the respondent the complainant lodged the complaint on 27.11.2009 seeking the direction to refund of premium amount with interest.

Complainant present herself with her husband submitted that they have invested Rs. 2.00 lakhs out of his post office recurring deposit to get higher return on investment and it was clearly told that it is for the single premium and no further premium will be paid by her. She signed the blank proposal form relying on the agent. After receipt of the policy document she did not bother to check it but after some time her husband checked the policy document and shocked to see that the policy was issued for 10 years term under annual premium of Rs. 2.00 lakhs. He also further observed that the proposal form has shown the complainant as BHEL employee, the income source has been shown as pension with annual income of Rs. 1.00 lakh. In fact her husband is a retired since from long aged 72 years and having a pension of Rs. 12000/- per month, out of which it is very difficult to save and pay the premium Rs. 2.00 lakhs per annum. Hence they complaint to the respondent pointing out the discrepancies and convert the policy into single premium on 08.07.2009, despite of several follow up the complainant did not received any response from the respondent.

Ultimately, he complaint to this forum seeking the direction to refund of money with interest.

The respondent presented by Shri Abhishek Kathuria, Dy. Zonal Operation Manager, Central Zone submitted that the policy was issued to the complainant as per the proposal form signed by the complainant and policy was issued & delivered accordingly on 14.07.2009. The application is received for to convert the policy into a single premium after the free look period is over. Hence, we are unable to proceed with the same. On inquiring on what basis, the respondent has issued a policy of Rs. 2.00 lakhs premium p.a. for 10 years term to a lady aged 58 years having a income of Rs. 1.00 lakh p.a.? Is it not an over looked of financial underwriting rules? The respondent could not replied satisfactorily.

FINDINGS & CONCLUSIONS:-

8. There is no doubt that the above policy was issued to the complainant.
9. The proposal form has shown the complainant as a BHEL employee whereas she is a house wife.
10. In the same proposal the source of income has been shown as pension amount of Rs. 1.00 lakh p.a.
11. It is very difficult to convince that the persons having a income of Rs. 1.00 lakh p.a. can afford a premium amount of Rs. 2.00 lakhs per annum, which proves that it is a clear cut case of miss-selling and overlooking of financial under-writing rules.
12. Insurance is a contract of utmost good faith, any mis-representation on either side is vitiate the contract ab-initio.

In view of the above, it is found that it is a clear cut case of miss-selling, hence vitiate the contract ab-initio. The action of the respondent is not just & fair. Therefore, the respondent is directed to refund Rs. 2.00 lakh with @9% interest from the date of receipt of the premium amount to till the date of making the payment, within 15 days to receipt of this order.

Dated at BHOPAL, on 17th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 98
Case No. AVA-245-22/11-09/Mum

Shri Akil KutubuddinComplainant
Aviva Life Insurance Co.Respondent

Brief Background – Non receipt of Policy document

Shri Akil Kutubuddin, resident of Indore (M.P.) lodged the complaint that he has taken the life insurance from the respondent i.e. ASV 2022157,ELP 2027498,ASV 2025360 and 2026595 and paid total amount Rs. 6,92,500 for the first year, but he did not received the original policy document till Sept.2009. He reminded to the Agent many times verbally and complained in writing on 01/10/2009 to the respondent; thereafter they issued duplicate policy documents on 20/10/2009. He gone through the terms & conditions of the policy documents and came to know that the policies were unit linked plans, he could not satisfied because he never intended to purchase any kind unit linked plans. Thereafter he wrote to the company for cancellation on 21/10/2009, but respondent refused to cancel the policy and refund the premium as the free look period was over.

Aggrieved from the action of the respondent the complainant lodged the complaint on 01.12.2009 seeking the direction to refund of premium amount with interest.

Complainant presented himself and submitted that he was interested for term insurance policies only and he never intended to purchase unit linked policies as he has no trust for that hence asked for the refund of the premium with interest in cancellation of the policies. Despite of my verbal follow up with my agent he could not delivered the policy documents to me, ultimately on 01/10/2009 I complaint to the respondent in writing for non receipt of policy documents. In reply of which they issued duplicate policy documents on 20/10/2009 which I have collected from the respondent's Indore Office, prior to that I have never received any policy documents from the respondent. After going through the terms & conditions I found that policies were issued with unit linked plans for which I was not interested hence wrote to the company for cancellation of the policies and refund of money on 21/10/2009 within free look period. The respondent has wrongly refused to cancel the policies in refund the amount may be directed to refund the premium with interest treating the policies cancellation within free look period.

The respondent represented by Shri Rohit Singh Baghel, Executive Branch Operations submitted that the policy was issued to the complainant as per the proposal form signed by the complainant and policy was issued & delivered accordingly by overnite courier on 30.05.2008 to Mr. Mansharam vide airway bill no. 564451184. Further he added that they have not received cancellation request for almost 1 and a half years. After receipt of request dated 01/10/2009 for issue of policy documents we sent again duplicate policy documents to the complainant as a good gesture. The subsequent 03 quarterly premium were also been paid. As the free look period is over, hence we could not cancel the policy as per the terms & conditions of the policy.

FINDINGS & CONCLUSIONS:-

1. There is no doubt that the above policies were issued to the complainant.
2. It is proved that the respondent has failed to hand over the original policy documents to the complainant / family members of the complainant on time.
3. It is also proved that as & when the complainant has received the policy documents on 20.10.2009, he requested for cancellation within the free look period.

In view of the above, it is found that the action of the respondent is not just & fair. Therefore, the respondent is directed to refund Rs. 6,92,500/- with @9% interest from the date of receipt of the premium amount to till the date of making the payment, within 15 days to receipt of this order.

Dated at BHOPAL, on 18th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 99

Case No. AVA-239-22/11-09/Mum

Smt. Farida KutubuddinComplainant

Aviva Life Insurance Co.Respondent

Brief Background - Non receipt of Policy document

Smt. Farida Kutubuddin, resident of Indore (M.P.) lodged the complaint that she has taken the life insurance from the respondent i.e. ALS 2026720, LSS 2091825, ASV 2021854 & ASV 2025084 and paid Rs. 37500/-, 40000/- , 50,000/- & 90,000/- quarterly premium, but she did not received the original policy document till Sept.2009. She reminded to the Agent many times verbally and complained in writing on 01/10/2009 to the respondent; thereafter they issued duplicate policy documents on 20/10/2009. She gone through the terms & conditions of the policy documents and came to know that the policies were unit linked plans, she could not satisfied because she never intended to purchase any kind unit linked plans. Thereafter she wrote to the company for cancellation on 21/10/2009, but respondent refused to cancel the policy and refund the premium as the free look period was over.

Aggrieved from the action of the respondent the complainant lodged the complaint on 01.12.2009 seeking the direction to refund of premium amount with interest.

Complainant presented herself and submitted that she was interested for term insurance policies only and she never intended to purchase unit linked policies as she has no trust for that hence asked for the refund of the premium with interest in cancellation of the policies. Despite of my verbal follow up with my agent he could not delivered the policy documents to me, ultimately on 01/10/2009 I complaint to the respondent in writing for non receipt of policy documents. In reply of which they issued duplicate policy documents on 20/10/2009 which were collected from the respondent's Indore Office, prior to that I have never received any policy documents from the respondent. After going through the terms & conditions I found that policies were issued with unit linked plans for which I was not interested hence wrote to the company for cancellation of the policies and refund of money on 21/10/2009 within free look period. The respondent has wrongly refused to cancel the policies and refund the amount, may be directed to refund the premium Rs. 8,70,000/- with interest treating the policies cancellation within free look period.

The respondent represented by Shri Rohit Singh Bagshel, Executive Branch Operations submitted that the policy was issued to the complainant as per the proposal form signed by the complainant and policy was issued & delivered accordingly by overnite courier on 30.05.2008 to Mr. Mansharam vide airway bill no. 564451184. Further he added that they have not received cancellation request for almost 1 and a half years. After receipt of request dated 01/10/2009 for issue of policy documents we sent again duplicate policy documents to the complainant as a good gesture. The subsequent 03 quarterly premium were also been paid. As the free look period is over, hence we could not cancel the policy as per the terms & conditions of the policy.

FINDINGS & CONCLUSIONS:-

4. There is no doubt that the above policies were issued to the complainant.
5. It is proved that the respondent has failed to hand over the original policy documents to the complainant / family members of the complainant on time.
6. It is also proved that as & when the complainant has received the policy documents on 20.10.2009, she requested for cancellation within the free look period.

In view of the above, it is found that the action of the respondent is not just & fair. Therefore, the respondent is directed to refund Rs. 8,70,000/- premium paid by her with @9% interest from the date of receipt of the premium amount to till the date of making the payment, within 15 days to receipt of this order.

Dated at BHOPAL, on 18th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 100
Case No. AVA-250-23/11-09/Mum

Shri R.K. MishraComplainant
Aviva Life Insurance Co.Respondent

Brief Background – Missale

Shri R.K. Mishra, resident of Bhopal (M.P.) lodged the complaint that he has taken the life insurance through Bank of Rajasthan (Corporate Agent) from the respondent for his son youngster policy and paid Rs. 50,000/- towards the premium on 31.03.2009 and submitted a proposal form bearing no. 13911049. Thereafter, he did not receive the policy document hence, he followed up the matter with the corporate agent, ultimately, the policy was delivered to him on 21.05.2009. On verifying the same he observed that the policy was issued on his life instead of his son for life bond and the proposal form was also replaced by no. NNU 13557952 which was never signed by him. Since there was a change in the name of the policy holder and plan he has applied for the change in the policy, he immediately wrote to the respondent to give the date of commencement as 31.03.2009 the date on which he deposited the premium which were not accepted by the respondent under the plea that the proposal form was signed on 22.4.2009 hence, retrospective effect cannot be given.

Aggrieved from the action of the respondent the complainant lodged the complaint on 01.12.2009 seeking the direction to refund of premium amount with interest.

Complainant presented himself and submitted that he has applied for a insurance plan for his son i.e. young star plan through Allahabad Bank (Corporate Agent) of the respondent. But when I observed after receiving the policy document that plan was different which I desired and the date of commencement of policy was also 08.05.2009 instead of 31.03.2009. Hence I requested to the respondent to give the retrospective effect of the policy i.e. 31.03.2009 instead of 08.05.2009, which they did not responded, ultimately, I have serve a legal notice through my advocate on 14.10.2009, which was replied by their advocate on 17.11.2009 are submitted herewith for your perusal. Further he added that he has never submitted a fresh proposal form on 22.04.2009 and also not applied for the swap of fund on 24.04.2009. The signature on swap fund application dated 24.04.2009 is not mine.

The respondent represented by Shri Rohit Singh Baghel, Executive Branch Operations submitted that the initially the plan opted was young star requires medical reports which was not submitted by the complainant and he prefer to change the plan whole life instead of young star and signed a fresh proposal form on 22.04.2009 and also give an application for fund swap on 24.04.2009. Accordingly, the policy was issued to the complainant. Since the proposal form was signed by the complainant on 22.04.2009 retrospective effect of date of commencement cannot be given as desired by the complainant.

FINDINGS & CONCLUSIONS:-

7. There is no doubt that the above policies were issued to the complainant.
8. It is proved that the complainant has submitted proposal form on 31.03.2009 bearing no. 13911049. however, the policy was issued on the basis of proposal form dated. 22.04.2009 showing a different proposal number.
9. The signature on the letter of swap fund dated 24.04.2009 does not tally with the signature of the complainant, seems to be fake.
10. It is also proved that the premium was paid on 31.03.2009 and the policy was issued with date of commencement on 08.05.2009.
11. Insurance is a contract of utmost good faith and any misrepresentation on either side vitiate the contract ab-initio.

In view of the above, it is found that the action of the respondent is not just & fair. Therefore, the respondent is directed to refund premium amount Rs. 50,000/- with @9% interest from the date of receipt of the premium amount to till the date of making the payment, within 15 days to receipt of this order.

Dated at BHOPAL, on 18th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 102
Case No. Max-294-22/01-10/Gur

Shri Gobind KashyapComplainant
Max New York Life Insurance.....Respondent

Brief Background - Miscellaneous

Shri Gobind Kashyap, resident of Indore (M.P.) lodged the complaint that he has taken the life insurance policy no. 244182572 and 244182556 from the respondent. The bonus cheque of which has not been received by him despite several reminders & personal follow up with the respondent's office. He is yet to receive the bonus cheques.

Aggrieved from the action of the respondent the complainant lodged the complaint on 16.01.2010 seeking the direction to pay bonus of Rs. 1220.60.

Complainant presented himself and submitted that he has taken a life insurance plan of the company, the bonus cheques for the year 2007 each of Rs. 610.30 for both the policies has not been received whereas he has received the bonus @ Rs. 725.90 for the year 2008 by him. He complaint to the respondent for payment, in reply of which the company has provided the

information that the they have sent the cheques no. 890940 and 892279 dated 12.11.2007 and 20.11.2007 by courier and the same has been cleared from their account on 30.11.2007. However, I have not received the said cheques and not encashed by me. I have no account with State Bank of India, hence the clearance of cheques by SBI might have gone to wrong Account.

The respondent represented by Shri Sarafraz Nawaz, Executive Customer Service, submitted that the both the cheques they have sent by courier to his residential address and as per our statement it has cleared on 30.11.2007 by State Bank of India. Since the A/c payee cheques were delivered at his residential address and the same has been cleared by the Bankers, it is presumed that complainant has received the payments.

The Ombudsman asked respondent that have you confirm from the Banker that the said cheques were credited to Gobind Kashyap's account? If it is so please produce the same, which he failed to produce.

FINDINGS & CONCLUSIONS:-

1. There is no doubt that the above policies were issued to the complainant.
2. It is proved that the cheques have cleared from the State Bank of India, where the complainant has no account. The respondent has failed to prove that the credit of the said cheques has been given to the complainant account.

Hence it is proved that the complainant has not received the credit of the said cheques and hence, the action of the respondent is not just & fair. Therefore the respondent is directed to pay Rs. 1210.60 with @9% interest within 15 days from the receipt of this order.

Dated at BHOPAL, on 19th of FEBRUARY 2010.

Shri Vinay Kumar Srivas.....Complainant

BAJAJ ALLIENZRespondent

Order No.BPL/LI 09-10/ 104

Case No. BA-223-22/11-09 Pune

Brief Background - Missale

Shri Vinay kumar Srivas, resident of Parasia Distt. Chhindwara, lodged complaint that he has invested Rs. 100000/- in policy nos.0131389260 with the understanding single premium plan, the Agent has cheated him and issued policy under annual mode of payment for 15 years instead of single premium plan, which he came to know only on receiving the policy documents on 20.09.2009. He wrote to the Respondent on 25.09.2009 for cancel the policy and refunds the premium. The Respondent refused to cancel the policy and refund the premium.

Aggrieved from the action of Respondent complainant lodged the complaint on 21-01-10 to the Hon. Ombudsman seeking direction to the Respondent to refund the premium amount with interest.

The Complainant presents himself and submitted that he is working in a Private Company, and his income is around Rs. 5000/ per month. On retirement of my father he has given Rs. 1.00 lakh to invest in a single premium. The agent has misguided me and given me insurance for regular premium for 15 years, he took my signature on blank forms and issued me policies for 15 years instead of single premium, which is beyond my capacity to pay annual premium Rs. 100000/ per annum. The Income Rs. 2, 15000/- shown in Proposal form is totally wrong. Moreover the source of income is shown as Kirana Shopkeeper is also totally wrong. Hence very base of the policy is wrong. Actually I have received the policy documents on 20.09.2009 and submitted a copy of Madhur Courier mentioned the date of delivery from whom he has received the Policy document and applied for free look cancellation on 25.09.2009 under acknowledgement of Branch Manager. Hence the policy may be cancelled and refund the premium with interest.

The Respondent represented by Shri Ankur Chawla, Deputy Manager, submitted the policy is issued as per the proposal form submitted by the complainant and request for cancellation is received after free look period is over hence they are unable to refund the premium as per the terms and conditions of the policy.

FINDINGS & CONCLUSIONS:-

There is no doubt that policy no 0131389260 was issued to the complainant for single premium of Rs.100000/- under Equity Growth Fund plan.

It is a known fact that proposal forms are being filled in by agent on behalf of proposer and obtained signature on blank forms.

It is difficult to convince that a person having of income of Rs. 5000/ can pay Rs.100000/ Premium for 15 years, leads to believe that financial underwriting concept has totally ignored at underwriting stage. The details of Income Rs. 2,15000/- and source of Income as Kirana Shop is wrong.

The insurance is a contract of **UTMOST GOOD FAITH**; both the parties to contract are expected to reveal the facts only. Any mis representation of facts on either side vitiates the contract ab-initio.

In view of the above for the sake of equity and natural justice the Respondent is directed to cancel the policy and refund the full amount of premium Rs. 100000/ with interest @9% from the date of receipt of premium to till the date of payment , within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 23rd of February 2010.

CHANDIGARH

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Kotak Mahindra/347/Mumbai/Amlah/22/10
Sh. Baljinder Singh Vs Kotak Mahindra Life Ins Co. Ltd.

ORDER DATED: 5TH OCTOBER, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Baljinder Singh had went to Kotak Bank for an FD. After his visit to Bank, Branch Manager alongwith other two colleagues came to his home and made an FD of Rs. 18.00 Lakhs for three months. At that time he was told that he can withdraw amount at any time after three years and amount will get doubled. He agreed and signed the proposal form on Feb 2009. He received the documents after two months under policy no. 01482055 and kept with him by considering those documents as an FD. But when he visited the office to withdraw his amount, it came to his light that the money was invested in ULIP instead of an FD and he had to pay premium of Rs. 18.00 lakhs for at least 3 years. He filed a complaint in Kotak on 10.07.09 to get his money but the same was denied.

FINDINGS: The insurer clarified the position by stating that the policy was for the initial amount of Rs. 18.00 lakhs and for the next two years, he had to pay Rs. 10,000/- annually. On a query as to whether the reduction of premium was as per the terms and conditions of the policy, the insurer replied in the negative.

DECISION: Held that the annual income shown was Rs. 15.00 lakhs against which the annual premium to be paid was Rs. 18.00 lakhs. It was a clear underwriting lapse and missale of policy. The first premium receipt did not mention the instrument through which payment was made viz cheque/ draft number or in cash. Thus the proposal form was incomplete and the policy was void *ab-initio*. The insurer was ordered to cancel the policy and amount of premium be refunded to the complainant along with interest @8% p.a w.e.f the date of FDR till the date of payment.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bajaj Allianz/436/Pune/Chandigarh/22/10
Sh. D.C Jain Vs Bajaj Allianz Life Insurance Company Ltd,

ORDER DATED: 10TH NOVEMBER, 2009

MISCELLANEOUS

FACT: The complainant Sh. D.C Jain had purchased a policy bearing No. 64249565 on 12.09.07 for premium of Rs. 20,000 per annum to be paid for 3 years. On receipt of policy, it was noticed that age and date of birth was incorrect. He came to know from the insurer's office that this policy could not be issued to person above 60 years whereas the insured was 66 years of age.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per proposal form filled up by the complainant based on the age proof furnished at the time of giving the proposal form. On a query, as to whether any age proof was available, the complainant showed the driving licence in which the age works out to 65 + years on 12.09.07, the date of commencement of the policy.

DECISION: Held that the policy was wrongly issued to the complainant. The insurer was advised to cancel the policy *ab-intio* and refund the premium amount to the complainant with interest 8% per annum w.e.f. 12.09.07 till the date of payment.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/339/Gurgaon/Karnal/22/10
Gurmeet Kaur Vs Aviva Life Insurance Co. Ltd.

ORDER DATED: 5TH OCTOBER, 2009

MISCELLANEOUS

FACT: The complainant Smt. Gurmeet Kaur had purchased “Easy Life Plus Plan” policy bearing no. LLG1205504 on 30.01.06 with annual premium of Rs. 10,000/ for three years. But she received policy on 25.05.06 under Long Life Plus Plan for 28 years. She applied for correction of plan and the date of policy but no response. She paid premium for 3 years and approached the insurer for maturity payment. When she was informed that policy was under Life Long Plan.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. Request for cancellation was not received within the free look period. Hence the policy couldnot be cancelled.

DECISION: Held that probably there was a missale to the extent that while Easy Life Plus pamphlet was given to the complainant, the policy issued was Long Life policy. The complainant was 58 years old at the time of taking the policy, running the policy for another 28 years would not be to her benefit. Accordingly there was strength in her contention that the policy be converted to Easy Life Plus with a minimum period of 10 years and surrender after 5 years. Insurer was ordered to convert the policy to Easy Life Plus *ab initio*. The complainant was advised to deposit the next two premia accordingly.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. HDFC/414/Mumbai/Ropar/22/10
Santokh Singh Vs HDFC Standard Life Insurance Co. Ltd.

ORDER DATED: 28TH OCTOBER, 2009

Miscellaneous

FACTS: The complainant Sh. Santokh Singh had purchased a policy bearing no. 10996639, Suvidha Plus. He invested money on 26.03.07 but due to wrong investment, for which no papers were received by the complainant, the insurer had returned the money on 11.06.09 without any interest. The complainant had requested for compensation of loss.

FINDINGS: The insurer clarified the position by stating that the premium amount had already been paid to the complainant and the case regarding payment of interest is under consideration of the insurer.

DECISION: Held that since there was a delay in refund of the amount to the complainant by more than 2 years, the insurer was ordered to pay interest amount on Rs. 1.00 lakhs @ 8 % p.a. w e f 26.03.07 till 10.06.09.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/429/Gurgaon/Derabassi/22/10
Tejinder Singh Vs Aviva Life Insurance Co. Ltd.

ORDER DATED: 28TH OCTOBER, 2009

MISCELLANEOUS

FACTS: The complainant Sh. Tejinder Singh on had purchased a policy bearing no. ALS2126362 under single premium of Rs. 2,80,000/- but later on he was asked to remit renewal premium. He being an agriculturist, his annual income was less than Rs. 1.00 lakhs and he did not afford to pay further premium of 2,80,000/-.

FINDINGS: The insurer clarified the position by stating that the policy was issued as per the proposal form filled up by the complainant. Request for cancellation was not received within the free look period. Hence the policy could not be cancelled. The insurer had issued the policy for the term of 20 years.

DECISION: Held that the contention of the complainant that he could not be able to pay Rs. 2.8 lakhs for 20 years on an annual income of less than Rs. 1.0 lakhs was justified. The insurer was ordered that the policy would be converted to single premium mode by the insurer.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/503/Mumbai/Sonipat/22/10
Dharambir Singh Vs Reliance Life Insurance Co. Ltd.

ORDER DATED:21ST JANUARY, 2010

Miscellaneous

FACTS: The complainant Sh. Dharambir Singh had purchased a policy bearing No. 10901888 in August 2007 with Rs. 5.00 Lakhs as one time premium. He was advised that he would receive double the amount after fourth year. But he received phone call for renewal premium and when he checked up with the office he was informed that he would be required to pay the premium for 15 years and was told that at least 3 premiums have to be paid. He approached the insurer for correction but insurer not agreed.

FINDINGS: The insurer stated that they have the proposal form filled up by the complainant asking for a term of 15 years. The complainant, however, has informed this forum that he is not in a position to pay a sum of Rs. 5.00 lakhs for 15 years.

DECISION: The insurer was ordered to convert the policy into a single premium policy.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bajaj Allianz/570/Pune/Panipat/22/10
Subhash Chander Verma Vs Bajaj Allianz Life Insurance Company Ltd,

ORDER DATED: 21ST JANUARY, 2010

Miscellaneous

FACTS: The complainant Sh. Subhash Chander Verma had purchased a policy bearing No. 98831801 in April 2008. He received the policy in August 2009 after follow up. He applied for free look cancellation in August 2009 but had received no response from the insurer.

FINDINGS: The insurer clarified the position by stating that the subject policy was issued in May 2008 and for almost one year the complainant didn't ask for the policy document. As per their record the policy document was dispatched through registered post in 2008, however, they could not produce any proof of delivery of policy document to the complainant. They agreed to cancel the policy as per the provisions of cancellation during free look in period after deducting the usual charges as per IRDA regulations.

DECISION: Held that insurer did not have any proof of delivery of insurance policy to the complainant. The insurer was ordered to cancel the policy and refund the amount to the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance/466/Mumbai/Faridabad/22/10

Smt. Nandeeta Bose VS Reliance Life Insurance Co. Ltd.

ORDER DATED: 21ST JANUARY, 2010

Miscellaneous

FACTS: The complainant Smt. Nandeeta Bose was proposed for insurance with premium of Rs. 3000/- per month. She issued cheque no. 446482 dated 15.05.08 drawn on ICICI Bank worth Rs. 9000/- which was encashed on 18.05.08 but the policy was never issued. She approached the insurer for refund of amount as the insurance has been denied to her and the insurer has not responded.

FINDINGS: The insurer clarified the position by stating that the refund was made about a year back in Jan. 2009 and cheque issued in the name of Smt. Nandeeta Bose has been

encashed through State Bank of India, Palwal Branch. The representative of the complainant stated that the complainant has no account with State Bank of India, Palwal, her place of residence is Faridabad and she has an account with ICICI Bank.

DECISION: Held that the cheque was encashed fraudulently by some one else. The insurer was ordered to get the matter investigated and ensure that the complainant has received the amount within one month.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/500/Gurgaon/Ambala/22/10
Kuldeep Singh Vs Aviva Life Insurance Co. Ltd.

ORDER DATED: 20TH JANUARY, 2010

MISCELLANEOUS

FACTS: This complaint has been filed by Sh. Kuldeep Singh on 20.10.09. Brief facts of the case are that he holds policy bearing no. NLG1248055 dated 25.04.06 with premium of Rs. 50,000 with the understanding that double the amount in 3 years. He approached the insurer to get double amount on 15.05.09 but no reply received. He wanted refund of his amount.

FINDINGS: The insurer submitted that the complainant was issued a Long life policy and as a goodwill gesture they are prepared to convert the policy into a single premium policy for a term of five years. Since under single premium policy minimum premium to be paid is Rs. 100,000, the complainant will have to deposit balance sum of Rs. 50,000. The complainant gave his consent for conversion of policy into a single premium policy but wanted one month's time to arrange for balance premium.

DECISION: The insurer was ordered to convert the policy into a single premium policy for a term of 5 years on receipt of their usual requirements along with balance premium of Rs. 50,000.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/536/Chandigarh/Patiala-II/22/10
Jaswinder Singh Vs LIC of India.

ORDER DATED: 16TH FEBRUARY, 2010

MISCELLANEOUS

FACTS: The complainant Sh. Jaswinder Singh purchased a policy bearing No. 1604400253 on 15.07.09. He has received the policy bond on 20.07.09. The terms and conditions of the policy are not acceptable to the complainant. He had requested the insurer to refund the premium with interest but he has not received any response from the insurer.

FINDINGS: The insurer submitted that the cancellation of policy was not possible because the complainant had not submitted the first premium receipt and policy document for cancellation and refund of premium amount.

DECISION: Held that the complainant was advised to hand over the receipt and policy bond to the insurer. Insurer agreed to refund the premium amount after deduction as per rules.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/535/Shimla/Nurpur/22/10
Sadhu Ram Vs LIC of India.

ORDER DATED: 17TH FEBRUARY, 2010

MISCELLANEOUS

FACTS: The complainant Sh. Sadhu Ram had purchased three policies bearing Nos. 152188764, 152126945 and 152187273 under Market Plus Plan under Single premium. But the insurer had issued him the policies under yearly mode of payment. He had requested to the insurer to change the mode of payment from yearly to Single premium but he had not received any reply from the insurer.

FINDINGS: Insurer's representative submitted that as per proposal form the life assured had asked for yearly mode. On examination of the proposal papers, it was observed that when annual income of the Life Assured as per proposal form is Rs. 1,40,000 per annum, and was not sufficient to pay annual premium of Rs. 1 Lakh and the contention of the complainant that he had proposed for a single premium policy appears to be correct even though in proposal form, it was recorded as yearly premium.

DECISION: The insurer was ordered to convert the policy to single premium policy from the date of commencement.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Reliance Life/532/Mumbai/Pehowa/22/10
Koora Ram Vs Reliance Life Insurance Co. Ltd.

ORDER DATED: 16TH MARCH, 2010

MISCELLANEOUS

FACTS: The complainant Sh. Koora Ram on had purchased policies bearing no. 15073723, 150733836, 15073664 and 15073918 in his name and in the name of his wife. He submitted his request on 3.10.2009 for freelook cancellation but has received no response from the insurer.

FINDINGS & DECISION: The insurer was not present. In the absence of the insurer hearing was limited to the submissions of complainant only. The complainant wanted cancellation of policies during the free look in period. The policy documents were received by him on 27.09.2009 and he submitted his request for cancellation within free look in period on 05.10.2009. The complainant had submitted his application for cancellation within the stipulated time within free look in period, the insurer was directed to refund the premiums paid on cancellation of policies as per rules for cancellation during free look in period .

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Max New York/513/Gurgaon/Ludhiana/22/10
Hari Singh Madan Vs Max New York Life Ins. Co. Ltd.

ORDER DATED: 16TH MARCH, 2010

MISCELLANEOUS

FACTS: The complainant Sh. Hari Singh Madan had purchased eight policies bearing nos. 71899677, 718996804, 718996762, 718996788, 74300584, 743006223, 742851355 and 742851108 with the intention to pay premium for 3 years only. But on receipt of policies, he found that these are for 10 years. He approached the insurer vide letter dated 02.09.09 to cancel the policies but no response received.

FINDINGS: The insurer stated that four policies had been cancelled and in five policies alternation had been carried out as per complainant's request. After getting the matter resolved, now the complainant has come forward with cancellation of these policies which was not feasible.

DECISION: Held that insurer was justified in cancellation of four policies and altering of five policies.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Kotak Mahindra/518/Mumbai/Khanna/22/10
Sh. Damanjeet Singh Vs Kotak Mahindra Life Ins Co. Ltd.

ORDER DATED: 16th MARCH, 2010

MISCELLANEOUS

FACTS: The complainant Sh. Damanjeet Singh had purchased a policy bearing no. 0083486 on 07.12.07 worth Rs. 1.00 lakh as one time investment but the insurer had issued policy under regular plan. He has requested the insurer for correction but no action.

FINDINGS: The complainant stated that he was a retired person and drawing a pension of Rs. 1400/- per month only and he could not be in a position to pay the premium of Rs. 1.00 lakh per annum for three years. He had requested for a single premium policy.

DECISION: Held that it was apparent that proposer was not in a position to pay a premium of Rs. 1.00 lakh per annum and he asked for a single premium policy. The insurer was directed to convert the policy into a single premium policy with a term of five years from the date of commencement of the policy.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. HDFC/528/Mumbai/Chandigarh/22/10
Sh. Navdeep Singh Arora Vs HDFC Standard Life Insurance Co. Ltd.

ORDER DATED: 16TH MARCH, 2010

MISCELLANEOUS

FACTS: The complainant Sh. Navdeep Singh Arora had purchased a policy bearing no. 10427410 on 25.11.2005. He applied for refund of amount in 2008 and get Rs. 50250 with which he was not satisfied. The insurer was not giving any clarification in spite of request.

FINDINGS: The insurer submitted that they have made the payment as per rules however in order to mitigate the grievance of the insured they were prepared to consider the revival of the policy waiving revival charges. After paying the outstanding premium and fulfilling the medical requirements.

DECISION: The complainant agreed for the same. The insurer was advised to do the needful.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Bharti AXA/525/Mumbai/Chandigarh/22/10
Jaswinder Singh Vs Bharti Axa Life Insurance Co. Ltd.

ORDER DATED: 16TH MARCH, 2010

MISCELLANEOUS

FACTS: The complainant Sh. Jaswinder Singh purchased Policy No. 5001352664 for Rs. 47000/- and a policy No. 5001352623 for Rs. 4,50,000/- as one time investment. But the insurer has issued policy under regular mode. He approached the insurer for correction but no reply received.

FINDINGS: The complainant submitted that he could afford Policy No. 5001352664 for Rs. 47000/- provided it was for a term of five years and premium paying terms of three

years and requested that the other policy bearing no. 5001352623 for Rs. 4,50,000/- be converted to single premium policy for ten years.

DECISION: Held that the insurer was directed to convert the policy bearing no. 5001352664 for a premium of Rs. 47000/- and policy bearing no. 5001352623 for a single premium of Rs. 4,50,000/- as desired by the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Aviva/502/Gurgaon/Ludhiana/22/10
Gurinderjit Kaur Gill Vs Aviva Life Insurance Co. Ltd.

ORDER DATED: 16TH MARCH, 2010

MISCELLANEOUS

FACTS: The complainant Smt. Gurinderjit Kaur Gill on was allured to purchase a policy bearing no. LLG1232079 in the year 2006. She was told to invest for 3 years and after 3 years, he will get very high returns. Now she approached the insurer for payment when she could know that she stands cheated.

FINDINGS: The insurer clarified the position by stating that the complainant had opted for a long term policy as per the proposal papers and the request for cancellation of policy was not received during the free look-in period. It was not possible to cancel the policy now.

DECISION: Held that the insured was not in a position to pay the premium for longer period. The insurer was therefore directed to convert the policy into a short term policy with a term of five year and premium paying term for 3 years from the commencement of the policy

DELHI

Case No.LI-165/ICICIPru/09
In the matter of Mr. Umed Singh Suri Vs
ICICI Prudential Life Insurance Co. Ltd.

ORDER dated 03.11.2009 **MISC**

1. Mr. Umed Singh Suri has made a complaint to this Forum on 12.08.2009, against ICICI Prudential Life Ins. Co.Ltd. regarding non cancellation of policy under policy no10206929.
2. On intervention of this office, now we have been informed by the Insurance Company vide their letter dated 01.10.2009 that they have cancelled the policy and refunded the amount of Rs.32120/- (Rs.30000/- towards premium and Rs.2120/- towards interest @ 8% p.a) to Mrs. Harpal Kaur Suri vide cheque no. 326546 dated 24.09.2009.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-AJ/104/09
In the matter of Mr. Umrav Mal Meena Vs
Life Insurance Corporation of India

ORDER dated 03.11.2009 MISC

1. Mr. Umrav Mal Meena has made a complaint to this Forum on 05.06.2009, against LIC of India, DO- Ajmer regarding non refund of premium deducted from S.B. Claim under policy no. 192475341.
2. On intervention of this office, now we have been informed by LIC of India, DO- Ajmer vide their letter dated 25.09.2009 that they have refunded the premium vide cheque no. 829157 dated 24.09.2009 amounting to Rs.1741/-.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-JP/108/08
In the matter of Shri Prabhu Singh Khangarot Vs
Life Insurance Corporation of India

ORDER dated 03.11.2009 **MISC**

1. Mr. P.S. Khangarot has made a complaint to this Forum on 17.12.2008, against LIC of India, DO- Jaipur regarding deduction of premium amounting to Rs.2304/- with interest out of the loan amount treating as gaps, whereas the premiums were already deducted out of his salary and remitted under his policies no. 192354118 and 191996632.
2. On intervention of this office, we have now been informed by LIC of India, DO- Jaipur that they have refunded the amount of Rs.2304/- along with interest @ 8% of Rs.737/- vide cheque no. 164323 dated 17.01.2009 amounting to Rs.3041/- to Shri Prabhu Singh Khangarot.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-JP/175/09
In the matter of Mr. Vinod Kumar Vs
Life Insurance Corporation of India

ORDER dated 03.11.2009 **S.VALUE**

1. Mr. Vinod Kumar has made a complaint to this Forum on 13.08.2009, against LIC of India, DO- Jaipur regarding non payment of Surrender Value under policy no. 194453024.
2. On intervention of this office, we have now been informed by LIC of India, DO- Jaipur vide their letter dated 02.09.2009 that they have paid the surrender value to Shri Vinod Kumar amounting to Rs.54253/- vide cheque no. 15820 dated 25.06.2009.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-AJ/54/09
In the matter of Mr. Brijesh Kr. Chittora Vs
Life Insurance Corporation of India

ORDER dated 03.11.2009 **MISC**

1. Mr. Brijesh Kr. Chittora has made a complaint to this Forum on 18.03.2009, against LIC of India, DO- Ajmer regarding disability claim under policy no. 185002496.
2. On intervention of this office, now we have been informed by LIC of India, DO- Ajmer that they settled the claim of Shri Brijesh Kr. Chittora vide cheque no. 42817 dated 10.06.2009 amounting to Rs.27489/- drawn on Axis Bank, Bundi.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-185/Furture/09
In the matter of Mr. Amit Kumar Singh Vs
Future Generali India Life Insurance Co. Ltd.

ORDER dated 03.11.2009 **MISC**

1. Mr. Amit Kr. Singh has made a complaint to this Forum on 21.08.2009, against Future Generali India Life Ins. Co.Ltd. regarding non cancellation of policy under policy no. 00064379.
2. On intervention of this office, now we have been informed by the Insurance Company vide their letter dated 16.09.2009 that they have cancelled the policy and refunded the amount of Rs.8000/- to Mr. Amit Kr. Singh vide cheque no. 013662 dated 21.08.2009. The same has been confirmed by the complainant over telephone on 14.10.2009 and he intends to withdraw his complaint against Future Generali India Life Insurance Co. Ltd.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-198/ICICI Pru/09
In the matter of Ms. Sanghamitra Das Vs
ICICI Prudential Life Insurance Co. Ltd.

ORDER dated : 03.11.2009 **MISC**

1. Ms. Sanghamitra Das has made a complaint to this Forum on 25.08.2009, against ICICI Prudential Life Ins. Co.Ltd. regarding non cancellation of her policy no. 11190479.
2. On intervention of this office, now we have been informed by the Insurance Company vide their letter dated 23.09.2009 that they have cancelled the policy and refunded the amount of Rs.52,000/- to Ms. Sanghamitra Das vide cheque no. 319524 dated 17.09.2009. The same has been confirmed by the complainant Vide their letter dated 26.10.2009 and she intends to withdraw her complaint against ICICI Prudential Life Insurance Co. Ltd.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-135/HDFC/09
In the matter of Mr. B.R. Rejoy Kurup Vs
HDFC Standard Life Insurance Co. Ltd.

ORDER dated 03.11.2009 **MISC**

1. Mr. B.R.Rejoy Kurup has made a complaint to this Forum on 09.07.2009, against HDFC Standard Life Ins. Co.Ltd. regarding misselling and non cancellation of policy under policy no. 11754991.

2. On intervention of this office, now we have been informed by the Insurance Company vide their letter dated 06.10.2009 that they have cancelled the policy and refunded the amount of Rs.85000/- to Mr. B.R. Rejoy Kurup vide cheque no. 085523 dated 29.09.2009. The same has been confirmed by the complainant Vide their letter of date 09.10.2009 and he intends to withdraw his complaint against HDFC Standard Life Insurance Co. Ltd.

3. There is no further relief to be granted to the complainant.

4.

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-58/HDFC/09
In the matter of Mr. K.D. Sharma Vs
HDFC Standard Life Insurance Co. Ltd.

ORDER dated 06.11.2009 **MISC**

1. Mr. K.D. Sharma has made a complaint to this Forum on 19.03.2009, against HDFC Standard Life Ins. Co. Ltd. regarding misselling and misrepresentation under policy no. 12297221.
2. On intervention of this office, now we have been informed by the Insurance Company that they have cancelled the policy and refunded the amount of Rs.50000/- to Mr. K.D. Sharma vide cheque no. 369838 dated 24.04.2009. The same has been confirmed by the complainant. He intends to withdraw his complaint against HDFC Standard Life Insurance Co. Ltd.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-52/MetLife/09
In the matter of Mr. Sudheer Kr. Godha Vs
Met Life Insurance Co. Ltd.

ORDER dated 17.11.2009 **MISC**

1. Mr. Sudheer Kr. Godha has made a complaint to this Forum on 18.03.2009, against Met Life Insurance Co. Ltd. regarding Misusing of Cheque under policy no. 1200800683125.
2. On intervention of this office, now we have been informed by the Insurance Company that they have cancelled the policy and refunded the amount of Rs.12000/- to Mr. Sudheer Kr. Godha vide cheques no. 246011 & 240465 dated 26.05.2009 & 01.06.2009 respectively. The same has been confirmed by the complainant. He intends to withdraw his complaint against Met Life Insurance Co. Ltd.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No. LI-ICICI Pru/183/09
In the matter of Smt. Shashi Bala Vs
ICICI Prudential Life Insurance Company Limited

AWARD dated 19.11.2009 MISC

1. This is a complaint filed by Smt. Shashi Bala (herein after referred to as the complainant) against the decision of ICICI Prudential Life Insurance Co. Ltd. (herein after referred to as respondent Insurance Company) in respect of Life Time Gold policy taken by her for a sum of Rs.2.5 Lacs on 27.03.2008.
2. The main complaint of the lady is that, she was shocked when she came to know about the various charges levied on the policy such as towards allocation and other charges. She contents that when she was approached by the representative of the respondent company, she was only given a rosy picture about the benefits and the charges were not explained to her.
3. I have gone through the reply of the respondent company and also the various documents, such as proposal form etc. I do appreciate that the respondent company had technically complied with all the requirements of the policy. I also realize that the various charges levied are as per the normal practice under all those policies etc. However, in the instant case, the proposer being an old lady of over 60 years, the respondent company should have been more careful in explaining all those aspects and one cannot expect an old lady to understand the implication of these kinds of policies and the various charges thereon.
4. I would like to give benefit of age to the complainant and therefore her plea as expressed in the complaint letter can be given a lenient consideration. While I do not hold respondent company at fault for all the papers presented. As a special case I would like to direct the respondent company to cancel the policy and refund the premium already paid to the respondent company without making any deductions which are usually done in case of cancellation of policy within short period.
5. The complaint is disposed of accordingly

Case No.LI-Future/155/09
In the matter of Shri Abhishek Sahu Vs
Future Generali India Life Insurance Company Limited

AWARD dated 19.11.2009 MISC

1. This is a complaint filed by Shri Abhishek Sahu (herein after referred to as the complainant) against the decision of Future Generali India Life Insurance Co. Ltd. (herein after referred to as respondent Insurance Company). Briefly speaking the complainant had taken a policy the details of which are not very clear to me with the respondent company. However, subsequently after having received the policy, the complainant had sought to cancel the policy within free look period. The respondent company however, rejected his request on the ground that the cancellation of the policy can be entertained only if “insured disagrees with any of the terms and conditions under the policy”.
2. In the instant case the grounds on which the complainant sought for cancellation of policy is due to his financial limitations and he is not able to bear the future payment of premium.
3. I realize that the complainant has a serious problem of having lost the job and he is unemployed. Though as per regulation 6 of the Protection of Policyholders’ Interest, limits the right of the policy holder to seek cancellation of the policy only on those conditions, however, keeping in view the peculiar circumstances expressed by the complainant, I take lenient view and permit his cancellation of the policy.
4. I, therefore, direct the respondent company to cancel his policy and refund the amount as per rules treating it, as if it is a cancellation subject under Regulation 6 of the regulation.

Case No.LI-HDFC/138/09
In the matter of Ms. Sneha Rajesh Bhatia Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 20.11.2009 MISC

1. This is a complaint filed by Ms. Sneha Bhatia (herein after referred to as the complainant) against the decision of HDFC Standard Life Insurance Co. Ltd. (herein after referred to as respondent Insurance Company). In respect Unit Linked Pension policy taken by her with the respondent company.
2. The main allegation of the complainant is that when she took the policy, she was made to believe that it a single premium policy and having taken voluntary retirement

from her profession she had intention to deposit it one time so that she could get proper returns by way of pension etc. She was shocked when she get a notice for the annual premium demanding her to pay Rs.2 Lacs. She contends that this is a case of mis-sale as she was not financially in a position to pay annual premium since she took voluntary retirement and lump sum money that she received could be use by way of one time premium and she expected return on that investment.

3. I have gone through the various documents made available to me and also the reply of the respondent company. Even documents including proposal form confirmed that it is a policy on annual premium. The complainant pleads that she was not aware of these documents and she completely trusted the representative of the Insurance Company. The complainant also received the policy when a free look period is available to her which also she did not exercise. Now the question is on the face of it all the documents established that she had proposed for a policy with annual premium at this stage I am inclined to accept her version. In the course of personal hearing where she contends that she took voluntary retirement and that she had intention to invest that lump-sum money she received by way of one time investment and as such she believed the version of the representative of the Insurance Company and deposited money under the impression that it was a one time payment.
4. Circumstances and pre-ponderance of probabilities suggest that she was definitely not in a position to pay annual premium since she had taken voluntary retirement. Though even the policy was received by her and the free look period also is lapsed, I would like to take lenient view of the case while not finding fault with the respondent company for having done the documentary work properly; I also find that on the date of personal hearing the respondent company was not represented to rebutt the version of the complainant, if any.
5. In view of the above circumstances as a special case I direct the respondent company to accept her request for cancellation of the policy and refund the premium paid by her without any deductions.

Case No. LI-HDFC/134/09
In the matter of Shri Rajneesh Sharma Vs
HDFC Standard Life Insurance Company Limited

ORDER dated 20.11.2009 MISC

1. Mr. Rajneesh Sharma has made a complaint to this Forum on 08.07.2009, against HDFC Standard Life Ins. Co.Ltd. regarding non cancellation of policy under policy no. 12706762. The complaint was fixed for hearing on 05.11.2009 and the complainant was absent at the time of hearing.
2. On intervention of this office, now we have been informed by the Insurance Company that they have cancelled the policy and refunded the amount of Rs.50,000/- to Mr. Rajneesh Sharma vide cheque no. 471123 dated 18.09.2009 drawn on HDFC Bank, Mumbai.
3. Hence there is no relief to be granted to the complainant.
4. The complaint is disposed of.
5. Copies of the order to both the parties.

Case No. LI-ICICI Pru/123/09
In the matter of Shri Ramesh Lal Vs
ICICI Prudential Life Insurance Company Limited

ORDER dated 20.11.2009 MISC

1. Mr. Ramesh Lal has made a complaint to this Forum on 23.06.2009, against ICICI Prudential Life Ins. Co. Ltd. regarding non cancellation of policy under policy no. 02941442. The complaint was fixed for hearing on 06.11.2009 and the complainant was absent at the time of hearing.
2. On intervention of this office, now we have been informed by the Insurance Company that they have cancelled the policy and refunded the amount of Rs.6,03,831.79/- to Mr. Ramesh Lal vide cheque no. A316224 dated 15.09.2009.
3. Hence there is no relief to be granted to the complainant.
4. The complaint is disposed of.
5. Copies of the order to both the parties.

Case No.LI/69/HDFC/09
In the matter of Sh.Sakesh & Smt.Preeti Gangahar Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 25.11.2009 MISC

1. This is a complaint filed by Shri Sakesh Gangahar & Smt.Preeti Gangahar (herein after referred to as the complainants) against the HDFC Standard Life Insurance Company Limited (herein after referred to as respondent insurance company) seeking to cancel the policies taken by them on the grounds of mis-representation of facts, wrong projection of returns etc.
2. The main contention of the complaint is that they have taken five policies among themselves with the respondent company. Most of them are Unit Linked policies. The commencement dates of the policies are between June and November,2007. The complainants have taken these policies under wrong impression as allegedly made to believe by the salesman on behalf of the respondent company. They contend that they were shocked about various allocation charges etc. being collected which were not explained to them earlier. They were also carried away by high promise of returns on these policies as against investing in fixed deposits which would yield very limited returns.

3. The respondent company, in their reply, has contended that all these policies were given to the complainants along with necessary illustrations and risk factors and also having obtained their consent letters on these documents. They have also while forwarding the policy copies on various dates in respect of those five policies have specifically provided “an option to return” as envisaged under Rule 6(2) of the policyholders’ regulation. Having not exercised the option at the appropriate time, the respondent company expresses their inability to accede to their request thereafter. The respondent company also on merits contends that the complaint of mis-selling is not correct since they have even signed on the investment option form at the time of finalizing the policies. They further contend that the first time a complaint for cancellation of the policies was received vide their letter dated 14.10.2008, that is, after a lapse of about one year from the inception of the policies. They further added that the complainants had used their discretion also since after the policies were issued in respect of some policies they have requested for reduction in annual premium and the same was acceded to.
4. From the above facts, it is clear that the complainants were well aware of the implication of the various policies and the question of mis-selling at this point is an after thought.
5. However while agreeing with most of the contentions of the respondent company, as a normal procedure, I am surprised to find an allegation from the complainant that in some of the acceptance signature on the customer declaration forms were forged. In fact, he had provided the copies especially in respect of Smt. Preeti Gangahar alleging forgery of the signature in the customer declaration form. The necessary papers were also provided to me.
6. Though the question of genuineness of a signature is normally decided by handwriting expert, however, keeping in view the complaint made by very person purported to have signed the same, there is considerable doubt to the validity of the declaration form. This Forum cannot go for expert opinion etc on this matter.
7. Since considerable doubt has been thrown about the filling up of the customer declaration form, I give the benefit of doubt to the complainant’s version. As a result, I direct the respondent company to cancel the policies as per requests of the complainants as if they have been made within the free look period and the necessary benefits could be returned to them.
8. The complaint is disposed of accordingly.
9. Copies of the Award to both the parties.

Case No.LI/HDFC/114/09
In the matter of Shri Binoy Kumar Singh Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 26.11.2009 MISC

1. This is a complaint filed by Shri Binoy Kumar Singh (herein after referred to as the complainant) against the HDFC Standard Life Insurance Company Limited (herein after referred to as respondent insurance company) alleging of mis-selling and resulting in issue of policy.
2. The main contention of the complainant is that he has taken a policy from the respondent company, that is, application dated 07.04.2008 for a Saving Assurance Plan. At the time of taking the policy, he was already a retired man, and when he has approached to their branch office at Sector 62, Noida, he was made to believe that the policy can be closed after three years. He had deposited an amount of Rs.2.25 lakh against the policy. He was however surprised to learn thereafter that he has to pay an annual premium of Rs.2.25 lakh. He contends that he took the policy on the clear understanding that the policy can be closed after three years. He also contends that he being a retired man could not have thought plans for taking a policy for 10 years with annual premium of Rs.2.25 lakh.
3. The respondent company had however contends that after the proposal was taken, the policy was sent on 23.04.2008 with an option to return clause. However, the complainant had not exercised such option within the period mentioned thereof. On 15.04.2009, the complainant lodged a complaint of mis-selling. They contend that all the features were properly explained to him at the time of selling the policy and subsequent opportunities for cancellation of the policy were also provided to him. Therefore, they contend that there is no mis-selling.
4. However, on going through the circumstantial facts, that is, the age of the complainant and the fact that he has retired, I cannot believe that he could be interested in taking the policy for 10 years with annual premium of over two lakhs. Definitely, "pre-ponderance of possibility" suggests that he was taken to believe that the policy could be withdrawn after three years and definitely cannot expect him to take a long policy at that time.
5. I, therefore, give the benefit of doubt to the complainant even at this stage and direct the respondent company to cancel the policy without deducting any charges as if they were made well within the free look period.
6. The complaint is disposed of accordingly.
7. Copies of the Award to both the parties.

Case No.LI/121/Future Generali/09
In the matter of Smt.Archana Kumar Vs
Future Generali India Life Insurance Company Limited

AWARD dated 26.11.2009 MISC

1. This is a complaint filed by Smt.Archana Kumar (herein after referred to as the complainant) against the Future Generali India Life Insurance Company Limited (herein after referred to as respondent insurance company) in respect of cancellation of the policy within free look period.
2. The brief facts of the case are that the complainant had applied for a policy with the respondent company in the month January, 2009 and the policy was dispatched to her on 20.02.2009.
3. The complaint vide her letter dated 04.03.2009 had sought to cancel the policy also confirming that she had not received the policy so far. The respondent company interalia contends that the policy was dispatched to her on 20.02.2009 and her request for cancellation of the policy is not within the free look period.
4. While the complainant claims that the policy has been received only on 13.04.2009. In fact she had applied even before she could get the policy in her hands, that is, on 04.03.2009. As such, she had applied for cancellation of the policy within the free look period.
5. Keeping in view the various circumstances available on the file, it looks, probable she did not receive the policy till April,2009 though it is purported to have dispatched by the respondent company on 20.02.2009.
6. In view of the confusion/doubt as to the actual date of the policy having been received, I pass the benefit of doubt to the complainant. I, therefore, direct the respondent company to cancel the policy and refund the money without deducting any charges as if they were made well within the free look period.
7. The complaint is disposed of accordingly.
8. Copies of the Award to both the parties.

Case No.LI/163/HDFC/09
In the matter of Shri Vikas Bansal Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 25.11.2009 MISC

1. This is a complaint filed by Shri Vikas Bansal (herein after referred to as the complainant) against the HDFC Standard Life Insurance Company Limited (herein after referred to as respondent insurance company) seeking cancellation of the policies taken by him on the grounds of mis-sale.
2. The facts of the case as enumerated by the complainant are that he was having a saving bank account with the respondent company's bank at Shahdara, Delhi since a long time. The complainant was aged 58 years at the time of getting this policy. When he was operating his bank account sometime around 2007, bank Manager has mis-guided him and encouraged him to take the policy which would be much better than the fixed deposits. He had taken four policies in his name and one in his son's name. He was under the impression that these policies would yield much better returns and also was under impression as he was made to believe that he could withdraw the amounts as per the promises made by the bank manager. He, therefore, pleads that the intention was to save money for his daughter's marriage and at this age, he had no intention whatsoever of planning merely for more returns. He, therefore, demands for cancellation of policy No.11274314.
3. The respondent company, in their reply, has contended that the above policy was given for a Unit Linked Endowment Suvidha Plus for a term of 10 years with annual premium of Rs.99,000/- for a sum assured of Rs.4,95,000/-. They have obtained the necessary declaration forms etc and the policy documents were sent to him on 15.09.2007 with the usual option to return Clause as required under IRDA Regulation. He having received the above documents and having signed the necessary consent letters cannot now after expiry of two years seek cancellation of the policies.
4. On going through the circumstances made available to me, I am convinced that the complainant at this age could not have invested so much of money merely as an investment option rather than by way of a deposit which could be withdrawn at a time of need. I am sure his main purpose to have invested in the policies which would be withdrawn at the time of need to perform his daughter's marriage in near future.
5. Keeping in view the age of the complainant and the circumstances mentioned therein, I am convinced that the complainant was definitely made to believe otherwise. Therefore, I direct the respondent company to cancel the policy No.11274314 and give the necessary refund on the policy taken by him without deducting any charges.
6. The complaint is disposed of accordingly.
7. Copies of the Award to both the parties.

Case No.LI/HDFC/117/09
In the matter of Smt.Chander Kanta Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 25.11.2009 MISC

1. This is a complaint filed by Smt.Chander Kanta (herein after referred to as the complainant) against the HDFC Standard Life Insurance Company Limited (herein after referred to as respondent insurance company) alleging of mis-selling and resulting in issue of policy.
2. The respondent company has given their reply interalia contended that the documents were given to her after the commencement of the risk on 28.11.2008 and she had an option to return the same within the free look period and not having done so, she cannot seek cancellation of the policy at this stage. However, subsequently, it is even established that the agent of the respondent company had admitted in writing about the mis-selling of the policy.
3. In view of the same, I direct the respondent company to cancel the policy ab-initio and refund the money without deducting any charges.
4. The complaint is disposed of accordingly.
5. Copies of the Award to both the parties.

Case No.LI-HDFC/218/09
In the matter of Mr. Pankaj Aggarwal Vs
HDFC Standard Life Insurance Company Limited

ORDER dated 11.01.2010 MISC

1. Mr. Pankaj Aggarwal has made a complaint to this Forum on 16.09.2009, against HDFC Standard Life Insurance Co. Ltd. regarding cancellation of policy no. 13074402.
2. On intervention of this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. that they have refunded the amount of premium vide cheque no. 477029 dated 01.10.2009 drawn on HDFC Bank for an amount of Rs.50,000/- to Mr. Pankaj Aggarwal.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-Bk/171/09
In the matter of Sh. Prithvi Raj Vs
Life Insurance Corporation of India

AWARD dated 12.01.2010 **MISC**

1. This is a complaint filed Mr. Prithvi Raj (herein after referred to as the complainant) against the decision of LIC of India D.O.- Bikaner (herein after referred to as respondent Insurance Company) in denying his claim under the Contingency Benefit policy in respect of the open heart surgery conducted on him on 16.10.2008.
2. The respondent company had denied the claim on the ground that in the proposal form he had suppressed the fact that he was suffering from Asthma and Stress Diabetes prior to taking the policy.
3. It may be noted here that the rejection of the claim and cancellation of the policy has been done on 11.09.2009. Whereas the policy in question was given in the year 1997. It is very strange that the respondent company after a lapse of more than 10 years is relying on the information purportedly suppressed in the proposal form by more than 10 years. Section 45 of Insurance Act is very clear that after a lapse of 2 years from the inception of the policy. The misrepresentation/ suppression in the proposal form cannot be questioned unless they establish that the same has been done with full knowledge and with an intention to defraud the company. From the available documents I find that the respondent company could not prove the mandatory requirements under Section 45 of Insurance Act.
4. I, therefore, set aside the decision of the respondent company in denying the claim and nullifying the policy. From the records it is not very clear as to the amount claimed in the policy. I, therefore, direct the respondent company to process and settle the claim of the insured as per the policy limitation under the contingency plan.

Case No.LI-Kotak/100/09
In the matter of Sh. Kamal Kishore Thathera Vs
Kotak Mahindra Old Mutual Life Insurance Company Limited

AWARD dated 12.01.2010 **MISC**

1. This is a complaint filed Mr. K.K. Thathera (herein after referred to as the complainant) against the decision of Kotak Mahindra Old Mutual Life Insurance Co. Ltd. (herein after referred to as respondent Insurance Company) seeking cancellation of his policy and liquidated damages on account of mental harassment etc. caused by the respondent company. The brief facts of the case are as follows:

2. Complainant had proposed for Kotak Flexi Plan for annual premium of Rs.22,000/-. The company had accepted the proposal on 15.02.2008. Subsequently since several months have passed and as a complainant obviously did not receive the policy documents had approached the respondent company on 11.06.2008. The complainant was told that since the cheque was still not cleared and as such the policy was not issued. Subsequently the complainant had submitted to the respondent that the amount has been debited from his account and even he had produced the bank statement to the respondent company. The respondent in fact admitted due to some errors, the clearance was not shown though the same has been actually cleared. However, on 11.07.2008 the policy was issued the complainant obviously has presented various facts in his correspondence both with the complainant as well as the papers placed before this forum that he is dissatisfied with the services of the respondent company who have delayed his policy and even retained his money with them for a long period before actually issuing the policy documents. The respondent had however, admitted that there was mistake on their part in getting the details of the cheque clearance and pleaded that in fact by chance due to the delay in issuing the policy, the complainant had actually was allotted higher number of units due to decline in markets etc. The complainant in a nut shell is not interested in any of these explanations and merely wants that the policy should be cancelled and entire amount to be refunded along with damages and penal interest.
3. I have gone through the various correspondences and come to the conclusion that in fact the delay in issuing the policy by the respondent company is not at all attributable to the complainant. I, therefore, direct the complainant to submit the original policy to the respondent company and after receiving the same, the respondent company shall refund full amount to the complainant. As regards compensation for mental torture etc. I am afraid, this forum has no jurisdiction to Award any such liquidated damages etc. In fact, inspite of the respondent company requesting the complainant to submit the policy document the complainant for the reasons best known to him has not been obliging.
4. I, therefore, cannot entirely hold the respondent liable for further delay in the matter. Therefore, there shall be no order as to any penal interest or damages. The respondent is directed to refund the entire premium in the policy.

Case No.LI-HDFC/150/09
In the matter of Sh. Vinod Kumar Bohra Vs
HDFC Standard Life Insurance Company Limited

AWARD dated 12.01.2010 **MISC**

1. This is a complaint filed Mr. V.K. Bohra (herein after referred to as the complainant) against the decision of HDFC Standard Life Insurance Co. Ltd. (herein after referred to as respondent Insurance Company) in rejecting his medical claim under Critical Illness claim under policy taken by him. The brief facts of the case are as follows:
2. That the complainant had taken a Unit Linked Endowment Plus II Plan with a annual premium of Rs.1,10,000/- with extra life and health options. Thereafter the complainant was admitted in Manidhari Hospital & Maloo Neuro Centre on 18.03.2009 and he was discharged on 23.03.2009. He was treated for his heart problem. The complainant had claimed with the respondent company under the critical illness cover which was covered for Rs.8,72,200/- as per the policy.
3. The respondent company after having processed the claim has rejected the claim on the ground that as per the discharge summary of the hospital he was a known case of diabetes since 3-4 years. They have relied on the proposal form wherein he had purportedly suppressed the facts about his suffering from diabetes in the relevant clause mentioned in the proposal form.
4. I have also found that in the instant case the respondent company had insisted for medical examination of the complainant and routine Urine test, fasting blood sugar and ECG were taken. On going through the blood sugar report it is shown that the fasting blood sugar is 108 MG/DL as against the normal range of 60-110 MG/DL. From the above medical examination report which were conducted through the respondent company clearly establishes that the complainant blood sugar level was well within normal range. The respondent company also did not furnish any documentary proof such as consultation with any doctor or treatment purported to have been taken by the complainant before the inception of the policy. They merely relying on a remark made by the discharge summary which has not supported by any documentary medical evidence prior to his proposal form is not sufficient proof. I have also gone through the reply of the respondent company who have attempted to nullify the blood sugar report by suggesting that the complainant could have managed to get the blood sugar rating normal by taking the medicines before the medical checkup. I am afraid such hypothetical contention based on some imagination cannot be taken as evidence. If that could be the way the medical report is viewed, then the person can take medicine for any illness and can get the normal report by taking drugs etc. In such circumstances the very purpose of the pre-medical examination losses its credibility. Therefore having conducted the proposer for medical examination by the respondent company themselves cannot at this stage escape the veracity of the medical examination by purported imaginary situation. I am, therefore, not in a position to accept the claim of the respondent company that the complainant was in fact suffering from diabetes before inception of the policy in the absence of any cogent medical documentary evidence apart from what is mentioned in the discharge summary.

5. Secondly, I find that at this stage respondent company has taken the plea that the treatment taken by the complainant for Coronary angioplasty is not covered in the critical illness. This plea is however, been taken for the first time only in the written reply submitted to this forum. I have gone through the repudiation letter dated 06.06.2009 wherein they have not taken the plea of not coverage of Coronary angioplasty in that letter. The cause of action in the present case is the repudiation letter. Therefore, not having taken the plea in the repudiation letter, the respondent cannot at this stage take the plea of no coverage in the policy which appears to be an afterthought.
6. From the forgoing I find that the respondent cannot prove that the complainant in fact was suffering from diabetes before inception of the policy and had suppressed material facts in his health statement. In these circumstances I am unable to accept the stand taken by the respondent company in denying the critical illness claim in respect of the complainant.
7. I, therefore, direct the respondent company to release the full amount covered under the critical illness i.e. Rs.8,72,200/-.

Case No.LI-Bajaj/122/09
In the matter of Sh. Hitesh Bansal Vs
Bajaj Allianz Life Insurance Company Limited

AWARD dated 12.01.2010 **MISC**

1. This is a complaint filed by Mr. Hitesh Bansal (herein after referred to as the complainant) against the decision of Bajaj Allianz Life Insurance Co. Ltd. (herein after referred to as respondent Insurance Company) for seeking to cancel his policy and refund of money. The brief facts of the case are as follows:
2. That the complainant had taken a policy with the respondent company "New Unit Gain". Subsequently within the free look period option available in the policy he had sought to cancel the policy due to some financial constraints and his inability to continue to pay the premium. The respondent company has taken a stand that while admitting that the policy holder had in fact submitted his cancellation within free look period, but contends that as per IRDA Regulations, the cancellation can be exercised only if the policy holder is not satisfied with any of the terms and conditions of the policy. Therefore, mere financial crisis is not a valid reason for the same. Though they have also taken an additional plea that being an ex-employee of the company he could not exercise this option as he should have been aware of the terms and conditions of the policy.
3. I have gone through the various documents made available to me and though it is not relevant here the complainant had placed certain personal reasons in which he had to take the policy. Secondly, since he had submitted his withdrawal letter within the free look period, the respondent company cannot deny the same on the ground that being an ex-employee he could have been aware of the policy conditions. I am afraid the present policy is a contract between Insurance Company and the policy holder. Therefore, the relationship between the Insurance Company and the policy holder as a employer and employee relationship cannot waive the basic contractual obligations as enshrined in the policy bond.
4. Therefore, I direct the respondent company to permit the cancellation of the policy and refund the amount due to him as per the guidelines available relating to cancellation during free look period.

Case No.LI-Tata AIG/188/09
In the matter of Shri Sachin Kumar Vs
Tata AIG Life Insurance Company Limited

ORDER dated 28.01.2010 **MISC**

1. Shri Sachin Kumar has made a complaint to this Forum on 21.08.2009, against Tata AIG Life Insurance Co. Ltd. regarding non receipt of policy bond and cancellation of the same under policy no. U025046162.
2. On intervention of this office, we have now been informed by Tata AIG Life Insurance Co. Ltd. Vide their letter dated 06.01.2010 that they have cancelled the policy and refunded the amount of premium of Rs.3900/- to Shri Sachin Kumar vide cheque no. 285298 and the same has been cleared as per their records.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-ICICI/219/09
In the matter of Shri Yashoda Nandan Sharma Vs
ICICI Prudential Life Insurance Company Limited

ORDER dated 28.01.2010 MISC

1. Shri Yashoda Nandan Sharma has made a complaint to this Forum on 16.09.2009, against ICICI Prudential Life Insurance Co. Ltd. regarding misselling under policy no. 00704075.
2. On intervention of this office, we have now been informed by ICICI Prudential Life Insurance Co. Ltd. that they have settled the claim of Shri Yashoda Nandan Sharma for Rs.50,000/- vide cheque no. 048084 drawn on ICICI Bank, Mumbai.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI/137/Birla/09
In the matter of Shri Ujjawal Deep Sen Vs
Birla Sun Life Insurance Company Limited

ORDER dated 28.01.2010 MISC

1. This is a complaint filed by Shri Ujjawal Deep Sen (herein after referred to as the complainant) against the Birla Sun Life Insurance Company Limited (herein after referred to as respondent insurance company) in respect of a policy taken by him in January, 2009 with the respondent company.

2. The main complaint seems to be that he has taken a policy from the respondent company and paid initial premium of Rs.3000/-. Thereafter he has received the policy in February,2009 when to his dismay he found that the policy had contained wrong name of the policy holder and the nominee, place of birth including his pan number etc. He even claims that his signature in the declaration form is also forged. Thereafter he had sought to cancel the policy on the above ground and get full refund from the insurance company. Eventually some correspondence has taken place between the complainant and the respondent company on the above matter.
3. However, the respondent company vide their letter dated 06.10.2009 addressed to this Forum their willingness to cancel the above policy and refund the entire premium paid.
4. Therefore, I do not find any further relief to be granted to the complainant since the respondent company is prepared to accede to this request. However, it is informed that so far he has not surrendered the policy to enable the respondent company to cancel the policy and refund premium etc.
5. The complainant is therefore, directed to surrender the policy document etc. to the respondent company immediately and on receipt of the same, the respondent company will cancel the same and refund the entire premium.
6. The complaint is disposed of accordingly.
7. Copies of the Order to both the parties.

Case No.LI-DL-I/278A/09
In the matter of Shri J.P. Singh Vs
Life Insurance Corporation of India

ORDER dated 23.02.2010 **MISC**

1. Shri J.P. Singh has made a complaint to this Forum on 16.12.2009, against LIC of India, D.O-I regarding non transfer of funds under policy no. 46979.
2. On intervention of this office, we have now been informed by LIC of India, DO-I vide their letter dated 03.02.2010 that they have made the payment of Rs.3646/- vide cheque no. 394075 dated 31.03.2005 and Rs. 17778/- vide cheque no. 189063 dated 29.09.2008 to Central Road Research Institute master policy no. 46979 on account of Shri J.P. Singh.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-DL-II/249/09
In the matter of Ms. Sushma Vyas Vs
Life Insurance Corporation of India

ORDER dated 23.02.2010 MISC

1. Ms. Sushma Vyas has made a complaint to this Forum on 20.02.2009, against LIC of India, D.O-II regarding non receipt of pension cheque under policy no. 122281624.
2. On intervention of this office, we have now been informed by LIC of India, vide their e-mail dated 03.02.2010 that quarterly cheques no. 061022 to 061025 from February 2009 to Nov 2009 have already been sent to life assured, out of which 3 cheques are encashed and one cheque no. 061025 amount Rs.3400/- is still lying with the annuitant.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-HDFC/19/10
In the matter of Shri Mithlesh Kr. Jha Vs
HDFC Standard Life Insurance Company Limited

ORDER dated 23.02.2010 MISC

1. Shri Mithlesh Kr. Jha has made a complaint to this Forum on 06.01.2010, against HDFC Standard Life Insurance Co. Ltd. regarding non cancellation of two policies under policy nos. 13248590 & 13248286.
2. On intervention of this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. vide their letter dated 04.02.2010 that they have cancelled the policies and refunded the amount of premium of Rs.101015.61/- & Rs.102120.10/- to Shri Mithlesh Kr. Jha and Mrs. Shwetika Jha vide cheque no. 167692 & 167693 dated 28.01.2010 respectively.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-ICICI Pru/187/09
In the matter of Shri Vir Singh Mehta Vs
ICICI Prudential Life Insurance Company Limited

ORDER dated 23.02.2010 MISC

1. Shri Vir Singh Mehta has made a complaint to this Forum on 21.08.2009, against ICICI Prudential Life Insurance Co. Ltd. regarding non cancellation of policy under policy no. 11191290.
2. On intervention of this office, we have now been informed by ICICI Prudential Life Insurance Co. Ltd. vide their letter dated 04.02.2010 that they have cancelled the policy and refunded the amount of premium of Rs.35000/- to Ms. Sarvjeet Kaur d/o. Shri. Vir Singh Mehta vide cheque no. 509375 dated 03.02.2010 drawn on ICICI Bank.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-DL-I/210/09
In the matter of Ms. Daya Maheshwari Vs
Life Insurance Corporation of India

ORDER dated 23.02.2010 **MISC**

1. Ms. Daya Maheshwari has made a complaint to this Forum on 14.09.2009, against LIC of India, D.O-I regarding non- payment of pension under policy no. 113320691.
2. On intervention of this office, we have been informed by LIC of India, vide their letter dated 09.02.2010 that now the complainant is satisfied as she is getting her annuity in time through ECS. The same has been confirmed by the complainant and now she has no complaint against LIC.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-DL-II/96/09
In the matter of Shri Virender Kr. Mahajan Vs
Life Insurance Corporation of India

ORDER dated 23.02.2010 **MISC**

1. Shri Virender Kr. Mahajan has made a complaint to this Forum on 26.05.2009, against LIC of India, D.O-II regarding foreclosure of policy, under policy no. 120018529.
2. On intervention of this office, and making a reference to the complainant Shri Virender Kr. Mahajan, he confirmed that his grievance has been redressed by LIC of India Branch- 123 and his policy has been reinstated. This aspect stands also confirmed from the status report showing the next due premium as November 2010.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-Reliance/91/09
In the matter of Shri Vinod Kr. Jain
Vs
Reliance Life Insurance Company Limited

ORDER dated 24.02.2010 **MISC**

1. Shri Vinod Kumar Jain has made a complaint to this Forum on 14.05.2009, against Reliance Life Insurance Co. Ltd. regarding non cancellation of policy no. 14051858.
2. On intervention of this office, we have now been informed by Reliance Life Insurance Co. Ltd. Vide their letter dated 18.02.2010 that they have cancelled the policy and refunded the amount of Rs.50,354.79/- to Shri Vinod Kumar Jain vide cheque no. 096650 dated 16.02.2010 drawn on HDFC Bank.
3. There is no further relief to be granted to the complainant.
4. Hence the complaint is disposed of.
5. Copies of the Order to both the parties.

Case No.LI-Birla/228/09
In the matter of Shri Rakesh Kumar
Vs
Birla Sun Life Insurance Company Limited

AWARD dated 16.03.2010 **MISC**

1. This is a complaint filed by Shri Rakesh Kumar (herein after referred to as the complainant) against the decision of Birla Sun Life Insurance Co. Ltd. (herein after referred to as respondent Insurance Company) alleging that, though he had applied for the policy on 05.01.2008 for Dream Plan for agreed premium on annual mode. However, he had not received the policy until the time of his filing this complaint on 03.01.2009. He had sought relief by way of cancelling and refunding the initial premium with interest @24% besides expenses incurred towards telephone and postal charges and mental tension. The total claim amount shown as Rs.30,000/-. He had deposited a sum of Rs.17,000/- towards the premium of the policy.

2. The respondent company though however, in their written reply had denied the contention of the complainant and confirmed that the policy has been delivered to the complainant on 21.02.2008. Therefore they have contended that having received the policy and not having exercised the option in the free look period provided under the policy, the complainant has no cause of action at this belated stage.
3. On the date of hearing the complainant was present in person and pleaded his case and reiterated that the policy documents have not been received by him. However, after the hearing was completed, the respondent representative has come and presented the cheque for Rs.16,824/- towards full and final settlement of the claim of the complainant. They have not submitted any comments about the same but mentioned that as a good gesture they have decided to cancel the above policy and refunded the premium. Though they have accepted to the request of the complainant at such belated stage, it goes to prove that, though, throughout they are maintaining in the written statement that the policy has in fact been delivered to him on 21.02.2008, they have not attached any proof of the same such as POD. In the absence of such proof, especially when the complainant has been constantly mentioning about non receipt of policy and added to this the respondent had brought the cheque accepting the claim, confirms that the allegations made by the complainant are true. Therefore, the complainant is definitely entitled for interest for the delayed refund of the premium. As such and in accordance with the rules I award interest of 8% p.a. from the date of deposit of the premium i.e. 07.07.2008 till the date of personal hearing when the cheque was delivered. I also award exgratia amount of Rs.1,000/- towards other expenses incurred by the complainant and as claimed towards telephone and other charges.
4. However, there shall be no order as to compensation towards suffering and mental torture as this forum has no authority to give any relief under that head.
5. With this direction the complaint is disposed of.

Case No.LI-Aviva/125/09
In the matter of Ms. Bharti Sharma
Vs
Aviva Life Insurance Company Limited

ORDER dated 17.03.2010 **MISC**

1. This is a complaint filed by Ms. Bharti Sharma (herein after referred to as the complainant) against the decision of Aviva Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) regarding non receipt of policy bond. The complainant has expressed her grievance that even after applying several times the respondent company had not provided either the original policy bond or a duplicate one in place of the original policy bond. Brief facts of the case are as follows:

2. It is observed that the life assured under the policy submitted a proposal form on 16.01.2008 and subsequently allotted a policy no. ASV1831717. It is informed by the respondent that they have issued the policy and duly sent it by the usual channel i.e. vide Overnight Courier AWB No. 556747879 and the same was delivered to the policy holder at the correspondence address on 30.01.2008. They also submitted the copy of POD dated 30.01.2008; however, the complainant informed that she never received the policy. The respondent vide their letter dated 23.02.2010 informed that they are ready to issue the policy bond to the life assured. As the main complaint of the policy holder is for the policy bond which was accepted by the respondent and hence there is no complaint before this forum to decide.
3. Therefore, I direct the respondent to issue a duplicate policy bond without any cost /document from the complainant within one week from the date of receipt of this order.
4. Copies of the order to both the parties.

Case No.LI-DL-I/84/09
In the matter of Shri Gaurav Tripathi
Vs
Life Insurance Corporation of India

AWARD dated 17.03.2010 **MISC(SV)**

1. This is a complaint filed by Shri Gaurav Tripathi (herein after referred to as the complainant) against the decision of LIC of India, Divisional Office-I (herein after referred to as respondent Insurance Company) against wrongly quoting the less surrender value under his unit linked policy. It is alleged by the life assured that he opted for a single premium policy and when he applied for the surrender value quotation he was given the quotation of a regular premium policy instead of a single premium policy. It has been stated by the respondent that the life assured was given a regular premium policy according to the proposal form submitted by him and inadvertently it was issued as a single premium plan. Brief facts of the case are as follows:
2. On 15.02.2006 the complainant proposed for a ULIP policy under 172/16 (Future Plus Plan) by paying Rs.40,000/- towards premium of the policy which was accepted at OR with AB under policy no. 114489379 [Exh.R-2]. On May 17th 2008, the life assured applied for the surrender of the policy and it was reported by the respondent that Rs.20982/- is only payable under the policy as against Rs.52,454.28 already quoted due to policy being a regular premium policy instead of a single premium

policy as mentioned on the face of the policy bond. The respondent has informed that the life assured vide its proposal form opted for a regular premium policy and due to some inadvertent error the policy bond was issued on a single premium basis. However, the mistake was observed and rectified by the branch when pointed out by the agent. The respondent has also informed that they have intimated the life assured regarding the change of mode under the policy vide their letter dated 28.11.2008 i.e. after he applied for surrender. The complainant insisted that he was issued a single premium policy and accordingly he must be paid the surrender value of the single premium policy.

3. I have considered carefully the contentions of both the parties. It is important to mention here that the policy bond is a very important document and has paramount importance in case of an insurance contract. It is not only the evidence of the contract but it also confers the duties and rights of the customers and if any, dispute arises during the currency of the policy that must be settled according to the provisions of the policy bond. It is true that the policy bond must reflect the contents of the proposal form. There should be no change without obtaining the proposer's consent from the life to be assured. In this case it is evident from the proposal form that life assured opted for a regular premium policy but he was issued a single premium policy. It was truly a fault of the respondent and not only this; they even failed to show treating the policy as a regular premium policy, as they never issued any renewal notice, any lapse notice or any advice for reviving the policy. Any correction without the knowledge of the policy holder and without affecting it on the original policy bond has absolutely no meaning at all.
4. I am, therefore, constrained to set aside the decision of the respondent and give the benefit of doubt to the complainant and accordingly of the opinion that the policy must be dealt as a single premium policy and surrender amount be paid accordingly. However, there shall be no order as to the interest on that amount as claimed by the complainant.
5. Copies of the award to both the parties.

Case No.LI-Birla/126/09
In the matter of Shri Rakesh Gupta
Vs
Birla Sun Life Insurance Company Limited

AWARD dated 17.03.2010 **MISC**

1. This is a complaint filed by Shri Rakesh Gupta (herein after referred to as the complainant) against the decision of Birla Sun Life Insurance Co. Ltd. (herein after referred to as respondent Insurance Company) in respect of alleged misselling and non cancellation of policy issued on the life of the complainant under policy no. 001460093 (Dream Plan). The complainant has expressed his grievance against the order of the respondents in rejecting the cancellation request of the complainant on the ground that they have already sent the policy bond to the complainant and the complainant did not apply for the cancellation of the policy within free look period. The free look period has expired and the complainant is not entitled to cancel the policy. Brief facts of the case are as follows:
2. As per the complainant he was approached by Mr. Abhishek Batura, Asstt. Sales Manager Bancassurance In House Channel, Credit Cards, Gurgaon Branch for buying a policy of Birla Sun Life Insurance (BSLI) in which it was reported to him that the bank would pay BSLI one time premium of Rs.2,00,012.6 and the card holder can pay the premiums of Rs.16,667/- in 12 interests free EMI's. It was specifically told to him that the proposed policy was a single premium policy and he was amazed to see the notice to deposit the renewal premium. It was also reported by the complainant that he had never received the policy bond till the receipt of notice of depositing the second installment of premium.
3. The respondent has conveyed that they have issued the policy as per the request of the policy holder and duly sent the policy bond at the address given by the life assured in the proposal form. They further informed that the said policy bond was duly received by one Mr. Mohan on 21st February, 2008 through courier and as they did not get any free look cancellation application within 15 days from the receipt of the policy bond, benefit is not available to the claimant.
4. During the course of personal hearing, the complainant informed that he has not received the policy bond till date & so the question of expiry of free look period is not relevant. The representative of the respondent company asked him as to why he did not ask for the policy bond within a reasonable time. To this, complainant stated that as the premium was being paid through his credit card as interest free monthly installments, he remained under the impression that the respondent will issue the policy bond only when the entire premium is recovered by the respondent.

5. The question for consideration is whether in the facts and circumstances of the case the action of the respondents could be justified. Mainly following issues are involved in this case:-
 - Issue One- whether the respondent had acted in a just and fair manner ?
 - Issue Two- Whether the decision of the respondents to refuse the request for cancellation is justified ?
6. It is important to mention here, that as per the protection of policyholders' interest Regulations, 2002 the insurer is obliged to process the proposal with speed and efficiency and all decisions thereof shall be communicated by it in writing within a reasonable period not exceeding 15 days from receipt of proposal by the insurer. It is also provided in the same regulations that the policy documents issued by the insurer must contain the copy of the proposal form and other such particulars as are mentioned in Rule 11 of the Insurance Rule, 1939 and includes brochure of leaflet serving the purpose and clearly stating the scope of benefits, the extent of insurance cover, the amount of premia payable etc. Regulation 6(2) provides that in forwarding the policy to the insured, the insurer shall inform by the letter forwarding the policy that he has a period of 15 days from the date of receipt of the policy document to review the terms and conditions of the policy and where the insured disagrees to any of those terms or the condition, he has the option to return the policy stating the reason for his objection, when he shall be entitled to a refund of amount of the premium for the period on cover and the expenses incurred by the insurer on medical examination of the proposer and stamp duty charges.
7. In the instant case the subject matter of the dispute is that whether the complainant was deprived off his right to cancel the policy within the free look period as per the provisions of the Protection of Policyholders' Interests Regulations, 2002 {Provision No 6(2)}. It is important to mention here that the respondent is not able to furnish the exact date on which they have delivered the policy bond to the complainant. Delivery of policy bond to a third person will not be construed the actual delivery and onus lies on the respondent to prove beyond doubt that the policy bond is actually handed over to the policy holder.

From the circumstances, especially when the complainant had categorically stated before the forum that there is no body named Mohan in his house including any servant, more than six months have passed. The courier company therefore is not retaining the POD the certificate by the courier company stating that policy bond is delivered to one Mr. Mohan does not seems to be reliable.
8. I, therefore, can come to the convenient conclusion that the policy document has not been delivered to the complainant which postulates that the complainant did not have an opportunity to exercise his free look option. It is therefore, not fair on the part of the respondent to have insisted that free look option is not available.
9. In view of the foregoing, I hereby direct the respondent company to refund the entire premium to the complainant within 30 days from the date of receipt of this award.
10. Copies of the award to both the parties.

HYDERABAD

Hyderabad Ombudsman Centre
Case No: L-21-003-0286-2009-10

Smt.BS Savithri
Vs.
LIC Of India, Machilipatnam Division

Award Dated:: 6.11.2009

Award No: I.O.(HYD) L- 38-2009-10

The complaint is about the rejection of surgical benefit under critical illness benefit on Policy No. C311320819 by Tata AIG Life Insc.Co.Ltd. The complaint was heard at Bangalore on 23.10.09. The complainant stated that she claimed reimbursement of Rs.23,705 towards hospitalization and surgical benefit for treatment of her right ear at MS Garden City Health Care Academy (P) Ltd., Bangalore under “Health First Policy” with TATA AIG Life Insurance Co., Ltd. However, the insurer paid her only Rs. 1000 towards hospitalization benefit and rejected the claim for surgical benefit of Rs.22,705. She sought a relief of Rs.22,705, being the amount spent for surgery undergone. The insurer stated that the company received a hospitalization claim from the insured for the treatment undergone by her in connection with “pain in right ear with discharge” at Garden City Health Care Academy from 11.06.08 to 13.06.08. Since the insured had only undergone hospitalization and not any approved surgical procedure under the policy, she was entitled only to the “Daily Hospitalisation benefit” for 2 days @ Rs. 500/- per day. The company has accordingly settled her claim vide its letter dated 26.08.08. The complainant contended that the office staff assured him that he could claim reimbursement only after the surgery was done. He further stated that he had negotiated with another hospital for treatment of the same problem for a sum of Rs. 18,000/- but relying on the assurance given by the officials of TATA AIG he got the treatment done at Garden City Hospital, which was more expensive. The insurer’s representative stated that as per the Health First Policy conditions surgical procedure/surgery covered was listed in the table attached to the policy. Ear surgery did not figure in the list. Since the surgical procedure, which the insured had undergone, was not covered by the policy, the claim for reimbursement of the same was rejected. The complainant contended that if the insurer had not confirmed, she would have opted for surgery in a less expensive hospital.

In the context of the complainant’s assertion, the complainant was directed to furnish the details of his visits to the insurer’s office, the persons contacted, etc., to the insurer enabling the insurer to make necessary enquiries in the matter within two days. The insurer was directed to examine the matter and revert to this office within 10 days thereafter. Both the parties complied with these. The insurer reported that a thorough investigation was carried out into the matter. The insurer stated that the customer was only guided about the claims process and no assurance of the claim payment was given to the client at the touch point. The insurer contended that the complaint has no merit.

After hearing the parties to the dispute and the report of the insurer, it was held that the complaint cannot succeed. The complainant was educated. That the policy does not include ear surgical treatment should have been obvious to him. Yet, he seems to have approached the insurer for clarification. The call centre is unlikely to have assured the insured about admissibility of the claim. The staff in the office of the insured also would not have rendered such advice. This is so since the policy is clear on the subject. There is no room for interpretation.

In view of the above, it was held that the insurer was justified in not allowing the claim for surgical procedure.

In the result, the compliant is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-007-563-2009-10**

Smt.S.Saraswathamma

Vs.
Max New York Life Insc.Co.Ltd.

Award Dated:: 29.1.2010

Award No: I.O.(HYD) L-52-2009-10

The complaint is about repudiation of Critical Illness Benefit claim on Pol. 388455398 by Max New York Life Insc. Co. Ltd.

Smt. S.Saraswathamma obtained a policy 381706480 Wellness Plus from Max News York Life Insc.Co.Ltd. She underwent “Total Knee Replacement Surgery” and claimed for the benefit under the policy. The Insurer, Max New York Life Insc.Co.Ltd., rejected the claim on the ground that the said surgery was not covered under the policy.

The complainant stated that the life assured underwent Knee Replacement Surgery and preferred a claim. But the insurer did not admit the claim stating that the ailment (Knee Replacement Surgery) was not covered under the contract. She consulted Dr.Anand, MD (Ortho) at Anantapur for her knee problem and he diagnosed the problem as bilateral osteoarthritis of both knees. The problem was not pre-existing when she took the policy. The surgery of knees replacement was done at Sagar Hospital, Bangalore on 9.9.2009. After

discharge, she preferred the claim but the insurer rejected the claim stating that the surgery was not covered under the contract. But the terms and conditions of the policy as stated under: Major Organ Transplant -- “Human Organs: heart, lung, liver, kidney, pancreas that resulted from irreversible end stage failure of relevant organ” cover knees replacement surgery also. The complainant stated that the insurer was incorrect in repudiating the claim.

The insurer stated that the life assured was diagnosed to be suffering from bilateral osteoarthritis of both knees and hypertension. She underwent Bilateral total knee replacement PFC on 9.9.09. But this surgery was not covered under the policy contract for payment of the benefit. Hence, they correctly rejected the claim.

It is seen that the life assured obtained a policy “Wellness Plus” for sum assured of Rs.4,00,000 from Max New York Life Insc.Co.Ltd. under which specified critical illnesses are covered and those illnesses are grouped into I, II and III and the benefit payable varies from 25% to 100% of Sum Assured, according to the groups in which the illness falls. It is also seen that the life assured had undergone bilateral total knee replacement PFC on 9.9.09 at Sagar Hospitals, Bangalore and submitted her claim for reimbursement of the expenses of Rs.3,78,814. The surgery undergone by the life assured does not find a place in the list of specified critical illnesses in any of the groups, i.e. group I, II or III. Further, condition 36 under group III – Major Organ Transplant- specifies human organs as heart, lung, liver, kidney and pancreas and it does not cover the knees. It is evident, therefore, that the policy does not cover knee replacement surgery that the complainant underwent.

In view of the above, it was held that the rejection of claim for the surgery undergone by the life assured on 9.9.09 by the insurer, Max New York Life Insc.Co.Ltd., is fully justified.

In the result, the complaint is dismissed.

KOLKATA

**OFFICE OF THE INSURANCE OMBUDSMAN,
KOLKATA**

AWARD DTD : 16th December, 2010 MISC

Complaint No. : 322/25/009/L/06/2010-11

Facts and Submissions:-

This is a petition filed by the complainant against non-receipt of policy bond of the policy nos. 0009883687 and 0010685068 and the same has been admitted under Rules 12(1)(f) of the RPG Rules 1998.

Complainant:-

Sk. Salim Ali is the complainant and owner of the above policy. He stated that inspite of repeated request through letters, the Insurer has not taken any action to issue the policies. Though the date of deposit of premiums of Rs.1,00,000/= (Rupees one lac) each against the above policies were on 26th July, 2005, vide receipt No.0017685226 and on 31st august, 2005, vide receipt No. 0019045877 but he has not received the policy documents inspite of repeated assurance on the part of the representative of the Insurer. Lastly, he wrote a letter to the Insurer on 9th November, 2009, but in vain. So, he approached this Forum and submitted 'P' Forms giving his unconditional and irrevocable consent for the Insurance Ombudsman to act as a Mediator between the complainant and the Insurer for resolution of the complaint.

Insurer :-

The Insurer has submitted their SCN wherein they explained that they have issued the policies earlier on 28th September, 2005 and handed over the same to the IC of the policyholder on 27th October, 2005. Moreover, they stated that they have not received the policy as undelivered. On the basis of the request for issuing duplicate copy of policy, they informed that if the premium has been updated by the complainant then they will issue the duplicate policy. After waiting for some period they had issued duplicate policy bond for policy No.0009883687. They also made their comments that the policyholder did not submit their complaint in the years 2006, 2007 and 2008, which meant the policy was received by the complainant. In spite of knowing the terms and conditions the complainant is now trying to take the free look cancellation facilities. So, they have decided not to allow this facility to the complainant and hence, submitted their request to the Insurance Ombudsman to dismiss the case.

Decision :

We have heard the representative of the insurer and gone through the materials on record. It is observed that the Insurer made hand delivery of the policy documents to the IC of the policyholder. However, they could not give any details of the person to whom the policy document was handed over and whether he/she was the authorized to receive the documents. They also could not produce the proof of delivery, which is essential to decide that the policy documents were received by the complainant. We do not find substance in the Insurer's contention that the complainant did not raise any complaint in the last three years, which means that he was satisfied with the policy's terms and condition. Since the Insurer has failed to establish that policy documents were timely delivered to the policyholder, we have to accept the contention of the complainant that these have not yet been received by him.

The decision of the Insurer to issue a duplicate policy bond is not valid and the same is set aside. The question of duplicate bond could arise only when the original one was delivered to the right person, which has not been established in this case. Mere dispatch of policy documents is not enough. These documents must be delivered to the owner of the policy and there should be valid proof of delivery. The Insurer is therefore, directed to issue fresh policies as original policies to the policyholder allowing him 15 days free-look period so that he can exercise his option of cancelling or continuing with the policies.

The complaint is allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, KOLKATA

AWARD DATED : 6th October, 2009 MISC

Complaint No. : 281/22/006/L/06/09-10.

FACTS AND SUBMISSIONS:

This petition was filed against refund of premium and the same was admitted under Clause 12 (1) (c) of RPG Rules, 1998.

COMPLAINANT:

Shri Sukumar Hazra is the Life Assured (LA) of the policy no. 002812372. He stated that he had submitted one proposal form to purchase one policy of 'BSLI GOLD PLUS II PLAN'. But after receiving the policy it was found that the plan had been changed without his consent to FREEDOM 58 POLICY. Not being satisfied he submitted application for Free Look Cancellation on 30/04/2009. After some days he verified the papers as he failed to receive any communication from the Insurance Company. At the time of verification it was revealed that the policy no. written in the cancellation form was wrong instead of no. 002812372 the number written was 002812327. Subsequently he dropped another letter stating the correct no. as 002812372 on 13/05/2009. The first letter was submitted on 30/04/2009 which was within 4 days. As the correct cancellation form had been submitted late, the Insurance Company denied to pay the refund of premium. Due to the denial of refund the LA had submitted this complaint letter to the Hon'ble Ombudsman to consider the appeal to get refund of the deposited premiums. P-forms and consent letters were also submitted by the complainant.

INSURER :

The Insurance Company submitted their consent letter. No Self Contained Note (SCN) was submitted by them. They denied the claim as the policy number written was wrong in the cancellation format which was submitted within the Free Look Period. Correct policy number along with cancellation format had been submitted later i.e., after the Free Look Period.

DECISION:

We feel that there is no case for the insurer as there was only one day delay on request for the refund of the premium and therefore, we condone the same and direct the insurance company to pay the full refund of premium within 15 days from the receipt of this order along with the consent letter from the complainant.

OFFICE OF THE INSURANCE OMBUDSMAN, KOLKATA

AWARD DATED : 8th October, 2009 MISC

Complaint No. : 252/21/008/L/06/09-10.

FACTS AND SUBMISSIONS:

This is a petition filed against non-refund of premium and the same was admitted under Clause 12 (1) (c) of RPG Rules, 1998.

COMPLAINANT:

The complainant had given 4 cheques numbering 5669, 5661, 401869, 401870 for furnishing the above policies, which were debited from his AXIS Bank Account and credited to Kotak Life Insurance Co. on 11/08/2007/16.08.2007 but even after several correspondences he did not receive the policy documents. He approached the insurer for the policy certificates but he was given only the policy numbers from the local Servicing Office. He also stated that the policies were not in a legal way as no medical test was done, though his age was 64 years. The address was also manipulated though the complainant had supplied the copy of the Electric Bill and the Telephone Bill as documentary evidences. The date of birth of his nominee had also been changed. So he wanted refund of the premium amount of Rs.1,47,000/- with proper interest and compensation due to harassment of a Senior Citizen for a long time. Total relief sought was Rs.4 lacs. He submitted the P-forms and given his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between the insurer and the complainant.

INSURER:

The insurer has not submitted the SCN, but has given a letter dated 20/08/2009 requesting the Hon'ble Ombudsman to grant them further time of 10 working days to process the said complaint. They assured that outcome of the same will be intimated to us at the earliest.

DECISION:

keeping in view the above, it is felt that since the policy bond had not been despatched, the claim for refund of premiums paid is exigible as the question of invoking of Free Look Period does not arise. The insurer is directed to refund the total premium along with penal interest within 15 days from the receipt of this of this order along with the consent letter from the complainant. The complainant may be informed that this Forum does not have the powers to grant damages under R.P.G. Rules, 1998.

OFFICE OF THE INSURANCE OMBUDSMAN, KOLKATA

MISC

AWARD DATED : 19^h February, 2010

Complaint No. : 303/21/001/L/07/09-10

FACTS & SUBMISSIONS :

Insurer's refusal to pay the Benefit B for specified ailments covered in Asha Deep Policy has given rise to registration of this case under Rules 12 (1) (b) of RPG Rules, 1998.

The complainant had taken a policy bearing no. 421916390 from L.I.C. of India (here-in-after be referred to insurer) commencing from 23-03-1999. The complainant had undergone "valve replacement on 04-01-2008. He submitted claim under benefit 'B' of the policy in question. The insurer refused to pay on the grounds that the operation undergone was not a case of CABG (Coronary Artery Bypass Grafting). So the benefit 'B' was denied. Hence this case.

The case has been heard on 15-02-2010 in presence of both the parties.

The insurer has reiterated its stand taken in Self Contained Note (SCN). According to the insurer, the operation undergone by the complainant is excluded as per benefit provided under 'B' of the policy in question.

On the other hand, it is submitted on behalf of the complainant that the operation undergone by him is not excluded. The insurer has mis-directed himself to interpret the section and their decision is not sustainable in the eye of law.

When Section 'B' has been referred to it is better to re-produce the relevant provision for better application of the case. It reads

“12 (b) Benefit of the policy schedule shall be available on the occurrence of any of the following contingencies.

(i) The Life Assured undergone By-pass surgery performed on significantly narrowed/occluded coronary arteries to restore adequate blood supply to heart and the surgery must have been proven to be necessary by means of coronary angiography. All other operations (e.g. angioplasty and Thrombolysis by Coronary Artery Catheterization) are specifically excluded.”

From plain reading it is seen that specifically it has not been provided that valve replacement is not excluded. Rather the replacement of valve is for free flow of blood to one part of the body including heart. In other words, it restored adequate blood supply to the heart. Performance of open Heart Surgery was corroborated by the certificate of Narayan Hrudayalaya.

The purpose of taking a policy is to get benefit against certain contingencies by the policyholder. When a claim is made, the insurer should act positively ignoring the technicalities in order to avoid harassment of the policyholder which causes the Life Assured to lose confidence in insurer and also less of goodwill of the public.

As per our above findings, the refusal to settle this medi-claim is not justified.

Hence, the insurer is directed to settle the claim for Benefit B of the complainant as admissible (on ex-gratia basis) within one month from the date of receipt of this order without waiting for consent letter of the complainant. In case of delay to settle the insurer would be liable to pay interest @ 18% per annum from the date of order till date of payment.

MUMBAI(CLUBBED)

MUMBAI OMBUDSMAN OFFICE

Complaint No. LI – 317 of 2009-2010

Award No.IO/MUM/A/ 260 /2009-2010

Complainant : Shri Kamlesh Assudomal Gurbuxani

V/s

Respondent : Life Insurance Corporation of India, Mumbai Division II

AWARD DATED 18.11.2009

Shri Kamlesh Assudomal Gurbuxani had taken a LIC policy in 2001 under Plan 112-16-10. The SA was Rs.5.00 lacs. Premium paying term was 10 yrs and maturity term 15 yrs. The annual premium was Rs.46,611/-. Shri Kamlesh A. Gurbuxani received a letter dated 22.12.2008 from LIC of India informing him that premium under the above policy is Rs.49,376/-. The Insurer informed him that the premium was earlier calculated with CEIS rebate of 10% instead of 5% due to a technical error. They advised him to therefore pay the difference of premium, from inception, amounting to Rs.22,120/-. Shri Kamlesh Gurbuxani was not agreeable to this increase in premium.

Shri Kamlesh A. Gurbuxani, is a Development Officer of LIC of India, attached to Branch 91R Branch under Mumbai Division II. He had taken the said policy from his own Branch. For the benefit of the employees' of the Corporation, LIC has devised the scheme which is known as Corporation's Employees' Insurance Scheme (CEIS). Being an employee of the Corporation, and working as a Development Officer, Shri Kamlesh Gurbuxani was given the Corporation's CEIS Scheme rebate.

The contention of the parties is the difference of the CEIS rebate resulting in payment of difference in premium amount by the complainant. He had taken the policy under the Corporation's Employees' Insurance Scheme (CEIS Scheme). The rebate allowed under the CEIS Scheme under this plan is 5% only for the premium paying term of 10 years. 10% rebate on premium is given where the premium paying term is 15 years and above. However, where premium paying term is less than 15 years, the rebate allowed is 5% only. Shri Kamlesh Gurbuxani has taken the policy of which the premium paying term is 10 years only and he is eligible for CEIS rebate of 5% only. This mistake was pointed out to the life assured and the insurer advised the LA to pay the difference in premium without interest from the commencement of the policy till date. They regretted for the mistake which occurred at the time of issue of policy. The mistake LIC committed should have been brought to the notice of the policyholder much earlier. However, the insured cannot take advantage of this mistake committed and insist for a 10% CEIS rebate which is not applicable for the policy term of 10 years. In this case, the insurer has not deceived or cheated the insured on purpose. Moreover, the LA has not incurred

any loss or put to any disadvantage or deprived of his rightful CEIS rebate as he will be paying premium like all other Employee policyholders of the Corporation under this Plan & Term. Thus there is no discrimination under the same Plan and Term by the Insurer to the Insured under the CEIS rebate. The Corporation can't abide to the demand of one policyholder as this will result to total injustice to other employee policyholders under the same plan and term. This mistake was a bonafide mistake and not a mistake committed knowingly by the Insurer. As the life assured is also an employee and working as Development Officer, he is expected to be aware of the terms and conditions of the policies as also the rebate available under CEIS. He is supposed to train the agents working under him. He is expected to know the rules of CEIS rebates.

The request of Shri Kamlesh Gurbuxani to continue with the rebate of 10% under Policy No.880533024 is not tenable. LIC of India is advised to collect the difference of premium under the policy without levying any interest. If the complainant is not agreeable to the Award passed by this Forum, he is free to approach any other Forum.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 397(2009-2010)

Award No. IO/MUM/A/ 263 / 2009-2010

Complainant : Smt. Jayshree Bipin Shah

V/s

Respondent : HDFC Standard Life Insurance Company Ltd.

AWARD DATED 20.11.2009

Shri Bipin Chimanlal Shah had taken a Unit Linked Endowment Suvidha Plan Policy from HDFC Standard Life Insurance Company Ltd. Shri Bipin Chimanlal Shah expired on 29.08.2008 due to Heart Attack. The claim was preferred by his wife, Smt. Jayshree Bipin Shah. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance. HDFC Standard Life Insurance Company Ltd., however, stated that on investigations it was revealed that the Deceased Life Assured was suffering from Hypertension and High Blood Pressure prior to issuance of the Policy which he had not disclosed in the proposal form.

Since the policy is a Unit Linked Policy with Risk Cover, the Ombudsman directed the Company to pay the Fund Value under the policy as on the date of intimation of death.

The documents submitted to this Forum have been perused. As per the Hospital papers, Shri Bipin Shah was admitted to Chetna Critical Care Unit on 28.08.2008 at 9.50 P.M.. He expired on 29.08.2008 at 2.40 A.M. In the History Proforma of the said hospital, it is mentioned - 50 yrs male admitted. K/c/o DM, HTN – 3 years. As per Doctor's Certificate signed by Dr. Kunal V. Gala, MD (Medicines), he has mentioned that Shri Shah was suffering from Diabetes Mellitus and Hypertension since 3 years. Similarly Dr. Mahesh

Bhatt has also issued a certificate, confirming that DLA was suffering from Diabetes Mellitus and Hypertension since 3 years. As per the above evidence, there is no doubt that the DLA was suffering from the above ailments prior to issuance of the policy, which he did not disclose in the proposal form.

In this case, there is force in the contention of the Insurer by way of material evidence that the Deceased Life Assured was suffering from Hypertension and Diabetes Mellitus since 3 years i.e. prior to the issuance of the Policy which she had not disclosed.. Thus HDFC Standard Life Insurance Company Ltd. cannot be faulted for repudiating the claim of Smt. Jayshree Bipin Shah for the sum assured for non-disclosure of material information and withholding correct information at the time of effecting the assurance.

However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable. It would be fair to refund the fund value acquired as on the date of intimation of death of the Life Assured as the policy has a component of investment in addition to risk cover.

In the facts and circumstances, it will be proper to refund the policy fund value to the claimant as at the time of death

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 282 (2009-2010)

Award No. IO/MUM/A/ 272 /(2009-2010)

Complainant : Shri Jaywant Krishna Patil

V/s

Respondent : ICICI Prudential Life Insurance Co. Ltd.

AWARD DATED 30.11.2009

Smt. Usha Jaywant Patil had taken a InvestShield Cashbak Policy from ICICI Prudential Life Insurance Company Ltd.. Smt. Usha Jaywant Patil expired on 02.04.2009 due to Respiratory failure due to metastasis in lung. The antecedent cause of death was Carcinoma Thyroid. When the claim was preferred by her husband Shri Jaywant Krishna Patil, ICICI Prudential Life Insurance Co. Ltd. repudiated the claim on account of the deceased having suppressed material information regarding her previous illness at the time of effecting the assurance.

The Insurer stated that all the above answers were false as they hold evidence and reasons to believe that the deceased life assured was a known case of Follicular Carcinoma of Thyroid gland since 1999. and medical history which was prior to the proposal was not disclosed in the proposal for insurance.

The Company was asked to provide the details of the Investment Part of the premiums paid under the Policy as on the date of intimation of death. We have received a letter dated 27.11.2009 from the Company informing that as on the date of claim intimation i.e. on 27.05.2009, the Fund Value under the policy was Rs.15,096.88.

The documents submitted to this office have been perused. As per the Histopathology Report from Dr. N.G. Kudtekar, Alibaug, dated 08.06.1999 the Impression states Follicular Carcinoma of Thyroid Gland. The Histopathology Report from Tata Memorial Hospital, Mumbai, dated 08.06.1999 shows the Microscopic Examination as Follicular variant of papillary carcinoma showing ground glass nuclei. Trabecular pattern is noted at places. Tumor has infiltrated the capsule adjacent thyroid and muscle focally. Few foci of Lymphocytic infiltration are noted in adjacent thyroid. The Medical Certification of cause of death from Government Hospital, Alibaug, dated 02.04.2009 states – Immediate cause of death – Respiratory failure due to metastasis in lung. Antecedent cause of death – Carcinoma Thyroid. The complainant has also admitted in his letter dated 24.07.2009 to the Grievance Redressal Committee of the Company that his wife Smt. Usha Patil who was a staff nurse herself trained from J.J. Hospital, Mumbai, admitted about the medical history of Follicular Carcinoma of Thyroid Gland. He has also given the details of treatment taken from August 1999 at Tata Memorial Hospital, Mumbai, H.N. Hospital, Mumbai, Budhrani Cancer Hospital, Pune and Jaslok Hospital, Mumbai. He has also admitted that she underwent Chemotherapy, Radioiodine and was taking medicines for prolonged disease.

At the time of hearing the claimant stated that the representatives of the Company was informed of these ailments of his wife, but they insisted upon her taking the policy though her ailments were shared with the Agent. He stated that the representatives of the Company had stated that these facts were not material. It is well settled in law that once a person puts his signature on the proposal form the proposer is responsible for the correctness of the answers as per the declaration; The dispute is for the non-disclosure of material facts in the proposals for assurance which was material for underwriting the risk.

In view of this legal position ICICI Prudential Life Insurance Company Ltd. cannot be faulted for repudiating the claim of on the ground of making mis-statements and withholding material information regarding health of life assured at the time of proposal. In the circumstance, this Forum has no valid reason to interfere with the decision of the Insurer to repudiate the claim of Shri Jaywant Krishna Patil for the sum assured under Policy.

However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable. It would be fair to refund the fund value acquired as on the date of intimation of death to the Company of the Life Assured as the policy has a component of investment in addition to risk cover. In the facts and circumstances, it will be proper to pay the fund value under the policy to the claimant as at the time of claim intimation.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI - 387 of 2009-2010

Award No.IO/MUM/A/ 276/2009-2010

Complainant : Shri Satish R. Menon

V/s.

Respondent : Tata AIG Life Insurance Company Ltd.

AWARD DATED 7.12.2009

Shri Satish R. Menon had taken a Tata AIG Health First Insurance Policy with Policy Date 21.12.2004 and Policy Issue Date 18.01.2005 for a policy term of 10 years and a Semi-Annual Premium of Rs.4,083/-. This policy included critical illness insurance cover of Rs.1,25,000/- lakhs. Under the Health First Policy the type of coverage is as under:-

<u>Type of Coverage</u>	<u>Amount of Benefit</u>
Daily Hospital Benefit	Rs. 250/-
Critical Illness	Rs.1,25,000/-
Surgical Benefit	Rs. 12,500/-
Post Hospitalization Benefit	Rs. 125/-
Death Benefit	Rs. 1,000/-

Shri Satish R. Menon got himself admitted at Guru Nanak Hospital for the removal of gall bladder stone and repairing of hernia. He was admitted to the hospital on 01.06.2009 and was discharged on 08.06.2009. Shri Menon submitted a claim to the Company for Rs.83,000/-. The Company only settled the claim for Rs.1,750/- being full and final settlement of the claim under the policy. The company regretted that they were unable to settle the full claim.

The documents produced at this Forum have been perused. Shri Satish Menon, the Life Assured had applied for a claim for his hospitalization at Guru Nanak Hospital from 01.06.2009 to 08.06.2009. On 25.06.2009 he lodged a hospitalization claim relating to removal of gall bladder stone and repairing of hernia. He submitted a claim for Rs.83,000/- towards the hospitalization expenses. According to the terms and conditions of the policy, a cheque for Rs.1,750/- as full and final settlement of the claim was sent by the Insurer towards expenditure for room charges @ of Rs.250/- a day for seven days. According to the Company surgery for gall bladder stone and hernia were not covered under the terms and conditions of the policy and hence no other charges were payable.

In the facts and circumstances, Tata AIG Life Insurance Co. Ltd. cannot be faulted for repudiation of the balance claim under the policy.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 481 (2009-2010)

Award No.IO/MUM/A/ 277 /2009-2010

Complainant : Shri Mohd Iqbal Ahmed Shaikh

V/s.

Respondent : Tata AIG Life Insurance Company Ltd.

AWARD DATED 07.12.2009

Shri Mohd. Iqbal Ahmed Shaikh had taken an Insurance policy from Tata AIG Life Insurance Company Ltd. through proposal dated 10.09.2007 under Health Protector Plan. He was issued the policy on 11.10.2007. On 24.02.2009 the complainant submitted a claim to the company for Unstable Angina with DM and requested for consideration under the Critical Illness Benefit of the policy. The Company repudiated the claim stating that from the medical information available the heart attack suffered does not meet the criteria defined in the Critical Illness benefit of the Health Protector Plan.

The relevant records pertaining to the case have been scrutinized. The medical records of Shri Mohd Iqbal Ahmed Shaikh in respect of his hospitalization in two hospitals are as below:-

1. Thunga Hospital, Mumbai – Date of admission – 12.02.2009. Date of Discharge – 13.02.2009. Diagnosis – IHD, Diabetes, Hypertension with Angina. He underwent relevant tests and treatment for the condition.
2. Diamond Hospital, Mumbai – Date of admission – 14.02.2009. Date of Discharge – 17.02.2009. Diagnosis – Unstable Angina with DM.
- 3.

The cause for repudiation was that as from the medical information, the heart attack suffered does not meet the criteria defined in the Critical Illness Benefit of the Health Protector Plan. In order to be considered within the ambit of “Heart Attack” as defined in the Policy Contract, the event must satisfy the following requirements of “Heart Attack”. Under the condition covering Heart Attack, the first occurrence of an acute myocardial infarction where the following conditions are to be met for the admission of a claim.

- (i) A history of typical chest pain
- (ii) The occurrence of typical new acute infarction changes on the electrocardiograph progressing to the development of new pathological Q waves, and
- (iii) Elevation of Cardiac Troponin (T or I) to at least 3 times the upper limit of the normal reference range or an elevation in CK MB to at least 200% of the upper limit of the normal reference range.

The above criteria formed part of the standard terms and conditions envisaged in the policy document.

On examining the documents it was observed that the event suffered by the complainant did not fall within the parameters of "Heart Attack" as defined in the contract due to the following reasons:

- ▶ The Life Assured did not suffer from Typical Chest pain and was admitted at Thunga Hospital for symptoms of breathlessness, uneasiness, palpitations.
- ▶ The Electrocardiography report (ECG dated 14.02.2009) didn't show fresh pathological changes suggestive of Heart Attack
- ▶ Cardiac Enzymes were not raised to contractually acceptable limits According to the CPK-MB Pathology report of Thunga Hospital dated 12.02.2009, the Normal Range is 00-25. Whereas the Result shows a reading of 28.0. According to the terms and conditions of the policy, "Elevation of Cardiac Troponin (T or I) to at least 3 times the upper limit of the normal reference range or an elevation to CK MB to at least 200% of the upper limit of the normal reference range". This condition was not fulfilled.

As per the above facts of the case, so far as the contractual rights and obligations under a policy of insurance is concerned, it is the definition of the relevant Critical illness as stated in the Policy Document that is material. Hence the benefit was declined

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI-121 (2009-2010)

Award No. IO/MUM/A/ 331 /2009-2010

Complainant : Shri. Narain Meharmal Ramchandani

V/s

Respondent : HDFC Standard Life Insurance Company Ltd.

AWARD DATED 15.01.2010

Shri. Narain Meharmal Ramchandani took a HDFC Personal Pension Plan Policy from HDFC Standard Life Insurance Company Ltd. vide proposal form dated 08.06.2003 along with single premium of Rs.1,00,000/- The policy term was for 5 years with basic benefits plus any attaching bonus as declared by the company. As per the terms of the policy document, the policy matured on 09.06.2008 with sum assured of Rs.1,00,000/- along with bonus declared by the company from time to time. The Company's Annuity Option letter dated 27.05.2008 was sent to the annuitant giving the various Options to avail the vesting benefits. The maturity amount was Rs.1,40,933/- out of which maximum 1/3rd was offered to the policyholder as

cash and the rest was to be converted as annuity. However, Shri Ramchandani insisted for the entire amount in cash, which was refused by the company vide their letter dated 17.12.2008. In the meantime Shri Ramchandani also requested the company for surrender of the policy vide his letter dated 05.12.2008 which was also refused by the company vide their letter dated 10.12.2008, specifying the reason of surrender request being made after the vesting date.

The dispute between the Complainant and the Company is that the complainant wants to surrender the policy and get the lump sum amount as on the date of vesting. However, the Company states that as per terms and conditions of the policy, the policyholder of a pension policy has an option to withdraw maximum 1/3rd of the notional cash value and the rest will be converted to annuities. Let us examine the policy condition.

Benefit payable on survival of the Life Assured to the vesting date

“As per policy provision, clause 2(i), at the vesting date, the policy attains a notional cash value, which is made up of the sum assured stated against the pension plan – vesting benefit in the schedule of benefits plus any attaching bonus. Subject to the prevailing legislation and regulations, part of this can be taken as a lump sum and the rest can be converted to an annuity at the rates, terms and conditions they offered to us”

The options given are as under:

Annuity for Life.

Annuity guaranteed for 10 years & life thereafter

Annuity for life with return of purchase price

Under the circumstances and in view that Shri N.M. Ramchandani is a Senior Citizen and in need of funds for his medical purpose as also the Pension is not yet started, he is to exercise any one of the two options as stated below:-

1. The complainant is to exercise his option for pension as per the options offered by the Company and inform the Company accordingly.

OR

2. The Company is directed to pay Rs.1,00,000/- only to the Complainant on ex-gratia basis. There will be no further payment. The policy will cease and be cancelled..

MUMBAI OMBUDSMAN CENTRE
Complaint No.LI - 523 of 2009-2010
Award No.IO/MUM/A/ 334 /2009-2010
Complainant : Shri Arun Motiram Wankhede
V/s.
Respondent : Life Insurance Corporation of India, Mumbai Division 1

AWARD DATED 19TH January, 2010.

Shri Arun Motiram Wankhede had taken a Life Insurance Policy from LIC of India UNDER Health Plus Unit Linked Health Insurance Plan with DOC 27.3.08. Under this policy the Principle Insured was allowed Rs.2,500/- under Hospital Cash Benefit and Rs.5.00 lacs under the head – Major Surgical Benefits.

Shri Arun M. Wandhede was diagnosed for Acute Coronary Syndrome and he had undergone angioplasty in September – October 2008. The claim for his hospitalization and surgery was submitted to the insurer on 22.10.2008. The TPA – Paramount Health Services Pvt. Ltd. rejected the claim stating that for Acute Coronary Syndrome, the LA had undergone PTCA. As per policy terms and condition, two or more arteries to be stented and as only one artery was stented along with its posterolateral brach (PLB), hence the claim does not fall within the category of surgery defined under Major Surgery Benefit (MSB) and therefore the claim was denied.

The terms and conditions of the LIC's Health Plus Policy mentions that 40% of Sum Assured is payable for "Coronary Angioplasty with stent implantation (2 or more coronary arteries must be stented). The letter dated 7th January, 2010 of Dr. L.T. Rawat addressed to the Manager, Health Insurance of LIC of India, MDO – I reads:-

There are only two Coronary Arteries in heart.
(i)(a) Left coronary artery and (b) Right coronary artery
(ii) All other arteries are the branches of right/left coronary arteries.
(iii) All small branches are joined to each other to form a network known as anoltomosis and are part of coronary circulation.

In given case two stents are put in to Right Coronary Artery i.e. one at mid RCA and 2nd at PLB

The above opinion clearly indicates that there are only 2 Coronary Arteries in the heart and all other arteries are branches of these two arteries. Hence the definition of 2 or more coronary arteries must be stented leads to the conclusion that 2 or more coronary arteries mean either the two main arteries or one of the main

coronary arteries and the branches of these coronary arteries. According to the above it is established that Shri Arun Wankhede underwent 2 stents one at right coronary artery and other at posterolateral branch and that means he has undergone coronary angioplasty with stent implantation in 2 or more coronary arteries. Hence rejection of the claim by LIC of India is not in conformity with the condition stipulated in the policy. The fact that the policy condition stipulated 2 or more coronary arteries must be stented leads to the conclusion that insurer has envisaged the condition in which stenting takes place not only in the main artery but also in the branches of the main artery. In the facts of the case, the rejection of claim by LIC of India is not tenable.

. MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 585(2009-2010)

Award No. IO/MUM/A/ 341 /2009-2010

Complainant : Dr. Vikas Pandurang Nikam

V/s.

Respondent : LIC of India, Mumbai Divisional Office III

AWARD DATED 21.01.2010

Dr. Vikas Pandurang Nikam had taken an Insurance policy bearing under Plan 14-21 (Endowment Plan). The yearly premium under the policy was Rs.25,881/-. In addition, under the same policy number he was issued a policy under Critical Illness and Premium Waiver Benefit (Rider). The sum assured under critical illness rider was Rs.1.00 lac. The yearly premium under critical illness rider was Rs.1,088/-. This policy was in addition to the main Policy. The date of commencement of the policy was from 19.12.2003.

Dr. Vikas Nikam had undergone Coronary Angioplasty (PTCA stenting to RCA) He submitted a claim under critical illness rider. LIC of India regretted his claim stating that as Balloon Angioplasty is not covered under the Benefit, they regretted the claim.

The relevant records pertaining to the case have been scrutinized. As per the Discharge summary of Riddhi Vinayak Critical Care and Cardiac Centre states that Dr. Vikas Nikar was admitted on 03.12.2008 and discharged on 07.12.2008. The attending doctor was Dr. Sandeep S. Patil, MD. The diagnosis states – Ischemic Heart disease inferior wall myocardial infarction. Coronary Angiography = single vessel disease. PAMI done (PTCA stenting to RCA). The Discharge summary states:-

“Dr. Nikam Vikas, 45 years male patient, known case of hypertension since 8-9 years on regular treatment. Now he presented with complaints of uneasiness and discomfort in the

chest since morning at 8.15 a.m. when he was at jogging. He was seen by Dr. Patil Sandeep S who advised him for ECG with revealed T- wave changes and even his cardiac enzymes were elevated. So the patient was admitted at R.V.C.C. hospital for further management and treatment.

Based on the above, Dr. Vikas Nikam submitted a claim to LIC of India quoting conditions and restrictions 2 (B) under the policy terms and conditions which state:-

2(B) The benefit of the policy schedule will be available on the occurrence of any of the following contingencies:

Heart Attack (Myocardial Infarction) The first occurrence of Heart Attack or Myocardial Infarction which means the death of portion of the heart muscle, as a result of an acute interruption of blood supply to myocardium. The diagnosis must be confirmed by the consultant cardiologist which must be based on –

- (iv) History of typical chest pain
- (v) New electro cartographic changes proving infarction.
- (vi) Typical elevation of Cardiac enzyme

The above criteria formed part of the standard terms and conditions envisaged in the policy document by the Insurer under critical illness rider.

However the Company rejected the claim as per clause (D) 10 Exclusion clause which states:-

“Under Coronary Artery Bypass Surgery, the non-surgical techniques such as balloon angioplasty and all other arterial, catheter based techniques or laser procedure treatments are excluded”.

As Dr. Vikas Nikam had undergone PTCA stenting to RCA and as the above treatment is under the exclusion clause, the Insurer rejected his claim. As per the above facts of the case, so far as the contractual rights and obligations under a policy of insurance are concerned, it is the definition of the relevant Critical Illness as stated in the Policy Document that is material. There is no doubt that Dr. Vikas Nikam suffered a Heart Attack but the treatment undergone was PTCA stenting to RCA. Hence the benefit was declined. In view of the above and based on the records produced before this Forum, the rejection of critical illness claim of Dr. Vikas Pandurang Nikam by the LIC of India is tenable.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 172 (2009-2010)

Award No. IO/MUM/A/ 448 /2009-2010

Complainant : Shri Shyamsunder N. Saraf

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 30TH MARCH 2010

The complaint of Shri Shyamsunder N. Saraf is under Policy Nos. 0012543817, 0053935528 & 0103412213 taken from Bajaj Allianz Life Insurance Company Ltd. Shri Shyamsunder Saraf had submitted a claim to Bajaj Allianz Life Insurance Company Ltd. for his hospitalization from 22.04.2009 to 28.04.2009. The TPA. Medicare TPA Services (I) Pvt. Ltd. had repudiated his claim under Policy No. 0103412213 stating that the policy is since 16.07.2008 and as per policy norms there is a 2 year waiting for renal stone under Clause 7.C.1.

Shri Shyamsunder N. Sharaf wrote to the Insurer vide his letter dated 30th May, 2009 stating that he had 2 health policies bearing No.0012543817 (HEALTH CARE with date of commencement 6th December, 2005) and other bearing No.0053935528 (CARE FIRST dated 28th July, 2007) and both the above policies were in force and claim free while purchasing FAMILY CARE FIRST Plan bearing No.0103412213 with date of commencement 16th July, 2008. He also mentioned the fact that the Insurer has provided the facility of lateral shift where Insured has an option to shift from any health plan either of that company or some other company to FAMILY HEALTH CARE FIRST provided the previous policy is in force at the time of applying for this plan and also no claim has been preferred under previous policy in the one year immediately before taking the FAMILY CARE FIRST Plan. In such a case the insured is given the benefit of reduction in waiting period for certain illness by number of continuous years the insured was covered under the previous plans. Shri Shyamsunder N. Sharaf maintains that in respect of Renal Stone treatment taken by him in April 2009, he should be given the claim since his 2 previous health policies were in force and there was no claim preferred by him before taking the FAMILY CARE FIRST plan bearing policy No.0103412213 with date of commencement 16th July, 2008.

On a study of the policies the Forum observes the following:-

- Bajaj Allianz Life Insurance Co. Ltd's HEALTH CARE Policy basically provides for hospitalization benefits, surgical benefits, critical illness cover, benefits for partial and permanent disability from Accident apart from Life cover. In respect of surgical benefits and critical illness cover the policy has a waiting period of 180 days which means surgical benefits/critical illness cover can only be claimed if the illness covered is diagnosed after 180 days from commencement of risk and if surgery is due to injury this waiting period will not apply.

- Bajaj Allianz Life Insurance Co. Ltd's FAMILY CARE FIRST and CARE FIRST Policies are basically health insurance products where hospitalization benefits are provided. Under both policies in respect of certain mentioned illnesses waiting period of 2 years is provided.

On a study of terms and conditions under all 3 policies as given to us the Forum observes that all the 3 policies are basically Health Insurance policies except the fact that HEALTH CARE policies provides for Life cover in addition to Health Insurance Benefits. Under all the 3 policies hospitalization benefits are provided whether they are in the form of cash benefit or reimbursement of expenses, which in common parlance is understood as "Expenses incurred for medical treatment being covered under the Health Insurance Policies".

As on the date of commencement of Policy No.0103412213 viz 16th July, 2008 the 2 previous policies viz., 0012543817 and 0053935528 were in force.

The Company has also not denied the contention of the Complainant that no claim has been preferred by him in the preceding 1 year before taking the FAMILY CARE FIRST Policy bearing No.0103412213 on 16th July, 2008.

The Forum, therefore, observes that condition No.4 printed in the policy as reproduced herein below

Lateral Shift:-

"Proposed insured has an option to shift from any other health reimbursement plan of similar nature (either of our company or of some other company) to Family Care First plan provided the previous policy is in force at the time of applying for Family Care First Policy. In such a case, the waiting period would be reduced by the number of continuous years the proposer was insured with that other plan provided he/she has one full claim-free year immediately before applying for this (Family Care First) plan. However, the proposer would still be subject to all underwriting problems of the company. Any reduction in waiting period has to be done through endorsements."

The Lateral shift should be made applicable to the present claim lodged by the Complainant in respect of treatment taken by him for Calculus of Kidney and Ureter during the period 22.04.2009 and the claim should paid accordingly. The Forum does not concur with the contention of the Company that HEALTH CARE Policy is different from FAMILY CARE FIRST / CARE FIRST policies in as much as all the 3 policies are basically Health Insurance policies providing for reimbursement of medical expenses whether in the form of benefits or reimbursements. The basic issue is that all the 3 are Health Insurance policies and the manner of payment of claim under the policies cannot differentiate them since all the products maintain basic characteristics of Health Insurance policy. Hence the Company's decision to repudiate the claim is set aside

MUMBAI

MUMBAI OMBUDSMAN OFFICE

Complaint No. LI – 317 of 2009-2010

Award No.IO/MUM/A/ 260 /2009-2010

Complainant : Shri Kamlesh Assudomal Gurbuxani

V/s

Respondent : Life Insurance Corporation of India, Mumbai Division II

AWARD DATED 18.11.2009

Shri Kamlesh Assudomal Gurbuxani had taken a LIC policy in 2001 under Plan 112-16-10. The SA was Rs.5.00 lacs. Premium paying term was 10 yrs and maturity term 15 yrs. The annual premium was Rs.46,611/-. Shri Kamlesh A. Gurbuxani received a letter dated 22.12.2008 from LIC of India informing him that premium under the above policy is Rs.49,376/-. The Insurer informed him that the premium was earlier calculated with CEIS rebate of 10% instead of 5% due to a technical error. They advised him to therefore pay the difference of premium, from inception, amounting to Rs.22,120/-. Shri Kamlesh Gurbuxani was not agreeable to this increase in premium.

Shri Kamlesh A. Gurbuxani, is a Development Officer of LIC of India, attached to Branch 91R Branch under Mumbai Division II. He had taken the said policy from his own Branch. For the benefit of the employees' of the Corporation, LIC has devised the scheme which is known as Corporation's Employees' Insurance Scheme (CEIS). Being an employee of the Corporation, and working as a Development Officer, Shri Kamlesh Gurbuxani was given the Corporation's CEIS Scheme rebate.

The contention of the parties is the difference of the CEIS rebate resulting in payment of difference in premium amount by the complainant. He had taken the policy under the Corporation's Employees' Insurance Scheme (CEIS Scheme). The rebate allowed under the CEIS Scheme under this plan is 5% only for the premium paying term of 10 years. 10% rebate on premium is given where the premium paying term is 15 years and above. However, where premium paying term is less than 15 years, the rebate allowed is 5% only. Shri Kamlesh Gurbuxani has taken the policy of which the premium paying term is 10 years only and he is eligible for CEIS rebate of 5% only. This mistake was pointed out to the life assured and the insurer advised the LA to pay the difference in premium without interest from the commencement of the policy till date. They regretted for the mistake which occurred at the time of issue of policy. The mistake LIC committed should have been brought to the notice of the policyholder much earlier. However, the insured cannot take advantage of this mistake committed and insist for a 10% CEIS rebate which is not applicable for the policy term of 10 years. In this case, the insurer

has not deceived or cheated the insured on purpose. Moreover, the LA has not incurred any loss or put to any disadvantage or deprived of his rightful CEIS rebate as he will be paying premium like all other Employee policyholders of the Corporation under this Plan & Term. Thus there is no discrimination under the same Plan and Term by the Insurer to the Insured under the CEIS rebate. The Corporation can't abide to the demand of one policyholder as this will result to total injustice to other employee policyholders under the same plan and term. This mistake was a bonafide mistake and not a mistake committed knowingly by the Insurer. As the life assured is also an employee and working as Development Officer, he is expected to be aware of the terms and conditions of the policies as also the rebate available under CEIS. He is supposed to train the agents working under him. He is expected to know the rules of CEIS rebates.

The request of Shri Kamlesh Gurbuxani to continue with the rebate of 10% under Policy No.880533024 is not tenable. LIC of India is advised to collect the difference of premium under the policy without levying any interest. If the complainant is not agreeable to the Award passed by this Forum, he is free to approach any other Forum.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI-121 (2009-2010)

Award No. IO/MUM/A/ 331 /2009-2010

Complainant : Shri. Narain Meharmal Ramchandani

V/s

Respondent : HDFC Standard Life Insurance Company Ltd.

AWARD DATED 15.01.2010

Shri. Narain Meharmal Ramchandani took a HDFC Personal Pension Plan Policy from HDFC Standard Life Insurance Company Ltd. vide proposal form dated 08.06.2003 along with single premium of Rs.1,00,000/- The policy term was for 5 years with basic benefits plus any attaching bonus as declared by the company. As per the terms of the policy document, the policy matured on 09.06.2008 with sum assured of Rs.1,00,000/- along with bonus declared by the company from time to time. The Company's Annuity Option letter dated 27.05.2008 was sent to the annuitant giving the various Options to avail the vesting benefits. The maturity amount was Rs.1,40,933/- out of which maximum 1/3rd was offered to the policyholder as cash and the rest was to be converted as annuity. However, Shri Ramchandani insisted for the entire amount in cash, which was refused by the company vide their letter dated 17.12.2008. In the meantime Shri Ramchandani also requested the company for surrender of the policy vide his letter dated 05.12.2008 which was also refused

by the company vide their letter dated 10.12.2008, specifying the reason of surrender request being made after the vesting date.

The dispute between the Complainant and the Company is that the complainant wants to surrender the policy and get the lump sum amount as on the date of vesting. However, the Company states that as per terms and conditions of the policy, the policyholder of a pension policy has an option to withdraw maximum 1/3rd of the notional cash value and the rest will be converted to annuities. Let us examine the policy condition.

Benefit payable on survival of the Life Assured to the vesting date

“As per policy provision, clause 2(i), at the vesting date, the policy attains a notional cash value, which is made up of the sum assured stated against the pension plan – vesting benefit in the schedule of benefits plus any attaching bonus. Subject to the prevailing legislation and regulations, part of this can be taken as a lump sum and the rest can be converted to an annuity at the rates, terms and conditions they offered to us”

The options given are as under:

Annuity for Life.

Annuity guaranteed for 10 years & life thereafter

Annuity for life with return of purchase price

Under the circumstances and in view that Shri N.M. Ramchandani is a Senior Citizen and in need of funds for his medical purpose as also the Pension is not yet started, he is to exercise any one of the two options as stated below:-

3. The complainant is to exercise his option for pension as per the options offered by the Company and inform the Company accordingly.

OR

4. The Company is directed to pay Rs.1,00,000/- only to the Complainant on ex-gratia basis. There will be no further payment. The policy will cease and be cancelled..

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 172 (2009-2010)

Award No. IO/MUM/A/ 448 /2009-2010

Complainant : Shri Shyamsunder N. Saraf

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 30TH MARCH 2010

The complaint of Shri Shyamsunder N. Saraf is under Policy Nos. 0012543817, 0053935528 & 0103412213 taken from Bajaj Allianz Life Insurance Company Ltd. Shri Shyamsunder Saraf had submitted a claim to Bajaj Allianz Life Insurance Company Ltd. for his hospitalization from 22.04.2009 to 28.04.2009. The TPA. Medicare TPA Services (I) Pvt. Ltd. had repudiated his claim under Policy No. 0103412213 stating that the policy is

since 16.07.2008 and as per policy norms there is a 2 year waiting for renal stone under Clause 7.C.1.

Shri Shyamsunder N.Sharaf wrote to the Insurer vide his letter dated 30th May, 2009 stating that he had 2 health policies bearing No.0012543817 (HEALTH CARE with date of commencement 6th December, 2005) and other bearing No.0053935528 (CARE FIRST dated 28th July, 2007) and both the above policies were in force and claim free while purchasing FAMILY CARE FIRST Plan bearing No.0103412213 with date of commencement 16th July, 2008. He also mentioned the fact that the Insurer has provided the facility of lateral shift where Insured has an option to shift from any health plan either of that company or some other company to FAMILY HEALTH CARE FIRST provided the previous policy is in force at the time of applying for this plan and also no claim has been preferred under previous policy in the one year immediately before taking the FAMILY CARE FIRST Plan. In such a case the insured is given the benefit of reduction in waiting period for certain illness by number of continuous years the insured was covered under the previous plans. Shri Shyamsunder N. Sharaf maintains that in respect of Renal Stone treatment taken by him in April 2009, he should be given the claim since his 2 previous health policies were in force and there was no claim preferred by him before taking the FAMILY CARE FIRST plan bearing policy No.0103412213 with date of commencement 16th July, 2008.

On a study of the policies the Forum observes the following :-

- Bajaj Allianz Life Insurance Co. Ltd's HEALTH CARE Policy basically provides for hospitalization benefits, surgical benefits, critical illness cover, benefits for partial and permanent disability from Accident apart from Life cover. In respect of surgical benefits and critical illness cover the policy has a waiting period of 180 days which means surgical benefits/critical illness cover can only be claimed if the illness covered is diagnosed after 180 days from commencement of risk and if surgery is due to injury this waiting period will not apply.
- Bajaj Allianz Life Insurance Co. Ltd's FAMILY CARE FIRST and CARE FIRST Policies are basically health insurance products where hospitalization benefits are provided. Under both policies in respect of certain mentioned illnesses waiting period of 2 years is provided.

➤ On a study of terms and conditions under all 3 policies as given to us the Forum observes that all the 3 policies are basically Health Insurance policies except the fact that HEALTH CARE policies provides for Life cover in addition to Health Insurance Benefits. Under all the 3 policies hospitalization benefits are provided whether they are in the form of cash benefit or reimbursement of expenses, which in common parlance is understood as "Expenses incurred for medical treatment being covered under the Health Insurance Policies".

As on the date of commencement of Policy No.0103412213 viz 16th July, 2008 the 2 previous policies viz., 0012543817 and 0053935528 were in force.

The Company has also not denied the contention of the Complainant that no claim has been preferred by him in the preceding 1 year before taking the FAMILY CARE FIRST Policy bearing No.0103412213 on 16th July, 2008.

The Forum, therefore, observes that condition No.4 printed in the policy as reproduced herein below

Lateral Shift:-

“Proposed insured has an option to shift from any other health reimbursement plan of similar nature (either of our company or of some other company) to Family Care First plan provided the previous policy is in force at the time of applying for Family Care First Policy. In such a case, the waiting period would be reduced by the number of continuous years the proposer was insured with that other plan provided he/she has one full claim-free year immediately before applying for this (Family Care First) plan. However, the proposer would still be subject to all underwriting problems of the company. Any reduction in waiting period has to be done through endorsements.”

The Lateral shift should be made applicable to the present claim lodged by the Complainant in respect of treatment taken by him for Calculus of Kidney and Ureter during the period 22.04.2009 and the claim should be paid accordingly. The Forum does not concur with the contention of the Company that HEALTH CARE Policy is different from FAMILY CARE FIRST / CARE FIRST policies in as much as all the 3 policies are basically Health Insurance policies providing for reimbursement of medical expenses whether in the form of benefits or reimbursements. The basic issue is that all the 3 are Health Insurance policies and the manner of payment of claim under the policies cannot differentiate them since all the products maintain basic characteristics of Health Insurance policy. Hence the Company's decision to repudiate the claim is set aside

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 282 (2009-2010)

Award No. IO/MUM/A/ 272 /(2009-2010)

Complainant : Shri Jaywant Krishna Patil

V/s

Respondent : ICICI Prudential Life Insurance Co. Ltd.

AWARD DATED 30.11.2009

Smt. Usha Jaywant Patil had taken a InvestShield Cashbak Policy from ICICI Prudential Life Insurance Company Ltd.. Smt. Usha Jaywant Patil expired on 02.04.2009 due to Respiratory failure due to metastasis in lung. The antecedent cause of death was Carcinoma Thyroid. When the claim was preferred by her husband Shri Jaywant Krishna Patil, ICICI Prudential Life Insurance Co. Ltd. repudiated the claim on account of the deceased having suppressed material information regarding her previous illness at the time of effecting the assurance.

The Insurer stated that all the above answers were false as they hold evidence and reasons to believe that the deceased life assured was a known case of Follicular Carcinoma of Thyroid gland since 1999. and medical history which was prior to the proposal was not disclosed in the proposal for insurance.

The Company was asked to provide the details of the Investment Part of the premiums paid under the Policy as on the date of intimation of death. We have received a letter dated 27.11.2009 from the Company informing that as on the date of claim intimation i.e. on 27.05.2009, the Fund Value under the policy was Rs.15,096.88.

The documents submitted to this office have been perused. As per the Histopathology Report from Dr. N.G. Kudtekar, Alibaug, dated 08.06.1999 the Impression states Follicular Carcinoma of Thyroid Gland. The Histopathology Report from Tata Memorial Hospital, Mumbai, dated 08.06.1999 shows the Microscopic Examination as Follicular variant of papillary carcinoma showing ground glass nuclei. Trabecular pattern is noted at places. Tumor has infiltrated the capsule adjacent thyroid and muscle focally. Few foci of Lymphocytic infiltration are noted in adjacent thyroid. The Medical Certification of cause of death from Government Hospital, Alibaug, dated 02.04.2009 states – Immediate cause of death – Respiratory failure due to metastasis in lung. Antecedent cause of death – Carcinoma Thyroid. The complainant has also admitted in his letter dated 24.07.2009 to the Grievance Redressal Committee of the Company that his wife Smt. Usha Patil who was a staff nurse herself trained from J.J. Hospital, Mumbai, admitted about the medical history of Follicular Carcinoma of Thyroid Gland. He has also given the details of treatment taken from August 1999 at Tata Memorial Hospital, Mumbai, H.N. Hospital, Mumbai, Budhrani Cancer Hospital, Pune and Jaslok Hospital, Mumbai. He has also admitted that she underwent Chemotherapy, Radioiodine and was taking medicines for prolonged disease.

At the time of hearing the claimant stated that the representatives of the Company was informed of these ailments of his wife, but they insisted upon her taking the policy though her ailments were shared with the Agent. He stated that the representatives of the Company had stated that these facts were not material. It is well settled in law that once a person puts his signature on the proposal form the proposer is responsible for the correctness of the answers as per the declaration; The dispute is for the non-disclosure of material facts in the proposals for assurance which was material for underwriting the risk.

In view of this legal position ICICI Prudential Life Insurance Company Ltd. cannot be faulted for repudiating the claim of on the ground of making mis-statements and withholding material information regarding health of life assured at the time of proposal. In the circumstance, this Forum has no valid reason to interfere with the decision of the Insurer to repudiate the claim of Shri Jaywant Krishna Patil for the sum assured under Policy.

However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither

fair nor reasonable. It would be fair to refund the fund value acquired as on the date of intimation of death to the Company of the Life Assured as the policy has a component of

investment in addition to risk cover. In the facts and circumstances, it will be proper to pay the fund value under the policy to the claimant as at the time of claim intimation

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI - 387 of 2009-2010

Award No.IO/MUM/A/ 276/2009-2010

Complainant : Shri Satish R. Menon

V/s.

Respondent : Tata AIG Life Insurance Company Ltd.

AWARD DATED 7.12.2009

Shri Satish R. Menon had taken a Tata AIG Health First Insurance Policy with Policy Date 21.12.2004 and Policy Issue Date 18.01.2005 for a policy term of 10 years and a Semi-Annual Premium of Rs.4,083/-. This policy included critical illness insurance cover of Rs.1,25,000/- lakhs. Under the Health First Policy the type of coverage is as under:-

<u>Type of Coverage</u>	<u>Amount of Benefit</u>
Daily Hospital Benefit	Rs. 250/-
Critical Illness	Rs.1,25,000/-
Surgical Benefit	Rs. 12,500/-
Post Hospitalization Benefit	Rs. 125/-
Death Benefit	Rs. 1,000/-

Shri Satish R. Menon got himself admitted at Guru Nanak Hospital for the removal of gall bladder stone and repairing of hernia. He was admitted to the hospital on 01.06.2009 and was discharged on 08.06.2009. Shri Menon submitted a claim to the Company for Rs.83,000/-. The Company only settled the claim for Rs.1,750/- being full and final settlement of the claim under the policy. The company regretted that they were unable to settle the full claim.

The documents produced at this Forum have been perused. Shri Satish Menon, the Life Assured had applied for a claim for his hospitalization at Guru Nanak Hospital from 01.06.2009 to 08.06.2009. On 25.06.2009 he lodged a hospitalization claim relating to removal of gall bladder stone and repairing of hernia. He submitted a claim for Rs.83,000/- towards the hospitalization expenses. According to the terms and conditions of the policy, a cheque for Rs.1,750/- as full and final settlement of the claim was sent by the Insurer towards expenditure for

room charges @ of Rs.250/- a day for seven days. According to the Company surgery for gall bladder stone and hernia were not covered under the terms and conditions of the policy and hence no other charges were payable.

In the facts and circumstances, Tata AIG Life Insurance Co. Ltd. cannot be faulted for repudiation of the balance claim under the policy.

MUMBAI OMBUDSMAN CENTRE
Complaint No. LI – 397(2009-2010)

Award No. IO/MUM/A/ 263 / 2009-2010

Complainant : Smt. Jayshree Bipin Shah

V/s

Respondent : HDFC Standard Life Insurance Company Ltd.

AWARD DATED 20.11.2009

Shri Bipin Chimanlal Shah had taken a Unit Linked Endowment Suvidha Plan Policy from HDFC Standard Life Insurance Company Ltd. Shri Bipin Chimanlal Shah expired on 29.08.2008 due to Heart Attack. The claim was preferred by his wife, Smt. Jayshree Bipin Shah. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance. HDFC Standard Life Insurance Company Ltd., however, stated that on investigations it was revealed that the Deceased Life Assured was suffering from Hypertension and High Blood Pressure prior to issuance of the Policy which he had not disclosed in the proposal form.

Since the policy is a Unit Linked Policy with Risk Cover, the Ombudsman directed the Company to pay the Fund Value under the policy as on the date of intimation of death.

The documents submitted to this Forum have been perused. As per the Hospital papers, Shri Bipin Shah was admitted to Chetna Critical Care Unit on 28.08.2008 at 9.50 P.M.. He expired on 29.08.2008 at 2.40 A.M. In the History Proforma of the said hospital, it is mentioned - 50 yrs male admitted. K/c/o DM, HTN – 3 years. As per Doctor's Certificate signed by Dr. Kunal V. Gala, MD (Medicines), he has mentioned that Shri Shah was suffering from Diabetes Mellitus and Hypertension since 3 years. Similarly Dr. Mahesh Bhatt has also issued a certificate, confirming that DLA was suffering from Diabetes Mellitus and Hypertension since 3 years. As per the above evidence, there is no doubt that the DLA was suffering from the above ailments prior to issuance of the policy, which he did not disclose in the proposal form.

In this case, there is force in the contention of the Insurer by way of material evidence that the Deceased Life Assured was suffering from Hypertension and Diabetes Mellitus since 3 years i.e. prior to the issuance of the Policy which she had not disclosed.. Thus HDFC Standard Life Insurance Company Ltd. cannot be faulted for repudiating the claim of Smt.

Jayshree Bipin Shah for the sum assured for non-disclosure of material information and withholding correct information at the time of effecting the assurance.

However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable. It would be fair to refund the fund value acquired as on the date of intimation of death of the Life Assured as the policy has a component of investment in addition to risk cover.

In the facts and circumstances, it will be proper to refund the policy fund value to the claimant as at the time of death

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 481 (2009-2010)

Award No.IO/MUM/A/ 277 /2009-2010

Complainant : Shri Mohd Iqbal Ahmed Shaikh

V/s.

Respondent : Tata AIG Life Insurance Company Ltd.

AWARD DATED 07.12.2009

Shri Mohd. Iqbal Ahmed Shaikh had taken an Insurance policy from Tata AIG Life Insurance Company Ltd. through proposal dated 10.09.2007 under Health Protector Plan. He was issued the policy on 11.10.2007. On 24.02.2009 the complainant submitted a claim to the company for Unstable Angina with DM and requested for consideration under the Critical Illness Benefit of the policy. The Company repudiated the claim stating that from the medical information available the heart attack suffered does not meet the criteria defined in the Critical Illness benefit of the Health Protector Plan.

The relevant records pertaining to the case have been scrutinized. The medical records of Shri Mohd Iqbal Ahmed Shaikh in respect of his hospitalization in two hospitals are as below:-

4. Thunga Hospital, Mumbai – Date of admission – 12.02.2009. Date of Discharge – 13.02.2009. Diagnosis – IHD, Diabetes, Hypertension with Angina. He underwent relevant tests and treatment for the condition.
5. Diamond Hospital, Mumbai – Date of admission – 14.02.2009. Date of Discharge – 17.02.2009. Diagnosis – Unstable Angina with DM.

The cause for repudiation was that as from the medical information, the heart attack suffered does not meet the criteria defined in the Critical Illness Benefit of the Health Protector Plan. In order to be considered within the ambit of “Heart Attack” as

defined in the Policy Contract, the event must satisfy the following requirements of “Heart Attack”. Under the condition covering Heart Attack, the first occurrence of an acute myocardial infarction where the following conditions are to be met for the admission of a claim.

- (vii) A history of typical chest pain
- (viii) The occurrence of typical new acute infarction changes on the electrocardiograph progressing to the development of new pathological Q waves, and
- (ix) Elevation of Cardiac Troponin (T or I) to at least 3 times the upper limit of the normal reference range or an elevation in CK MB to at least 200% of the upper limit of the normal reference range.

The above criteria formed part of the standard terms and conditions envisaged in the policy document.

On examining the documents it was observed that the event suffered by the complainant did not fall within the parameters of “Heart Attack” as defined in the contract due to the following reasons:

- ▶ The Life Assured did not suffer from Typical Chest pain and was admitted at Thunga Hospital for symptoms of breathlessness, uneasiness, palpitations.
- ▶ The Electrocardiography report (ECG dated 14.02.2009) didn't show fresh pathological changes suggestive of Heart Attack
- ▶ Cardiac Enzymes were not raised to contractually acceptable limits According to the CPK-MB Pathology report of Thunga Hospital dated 12.02.2009, the Normal Range is 00-25. Whereas the Result shows a reading of 28.0. According to the terms and conditions of the policy, “Elevation of Cardiac Troponin (T or I) to at least 3 times the upper limit of the normal reference range or an elevation to CK MB to at least 200% of the upper limit of the normal reference range”. This condition was not fulfilled.

As per the above facts of the case, so far as the contractual rights and obligations under a policy of insurance is concerned, it is the definition of the relevant Critical illness as stated in the Policy Document that is material. Hence the benefit was declined.

MUMBAI OMBUDSMAN CENTRE
Complaint No.LI - 523 of 2009-2010
Award No.IO/MUM/A/ 334 /2009-2010
Complainant : Shri Arun Motiram Wankhede
V/s.

Respondent : Life Insurance Corporation of India, Mumbai Division 1

AWARD DATED 19TH January, 2010.

Shri Arun Motiram Wankhede had taken a Life Insurance Policy from LIC of India UNDER Health Plus Unit Linked Health Insurance Plan with DOC 27.3.08. Under this policy the Principle Insured was allowed Rs.2,500/- under Hospital Cash Benefit and Rs.5.00 lacs under the head – Major Surgical Benefits.

Shri Arun M. Wandhede was diagnosed for Acute Coronary Syndrome and he had undergone angioplasty in September – October 2008. The claim for his hospitalization and surgery was submitted to the insurer on 22.10.2008. The TPA – Paramount Health Services Pvt. Ltd. rejected the claim stating that for Acute Coronary Syndrome, the LA had undergone PTCA. As per policy terms and condition, two or more arteries to be stented and as only one artery was stented along with its posterolateral brach (PLB), hence the claim does not fall within the category of surgery defined under Major Surgery Benefit (MSB) and therefore the claim was denied.

The terms and conditions of the LIC's Health Plus Policy mentions that 40% of Sum Assured is payable for "Coronary Angioplasty with stent implantation (2 or more coronary arteries must be stented). The letter dated 7th January, 2010 of Dr. L.T. Rawat addressed to the Manager, Health Insurance of LIC of India, MDO – I reads:-

There are only two Coronary Arteries in heart.

(i)(a) Left coronary artery and (b) Right coronary artery

(ii) All other arteries are the branches of right/left coronary arteries.

(iii) All small branches are joined to each other to form a network known as anoltomosis and are part of coronary circulation.

In given case two stents are put in to Right Coronary Artery i.e. one at mid RCA and 2nd at PLB

The above opinion clearly indicates that there are only 2 Coronary Arteries in the heart and all other arteries are branches of these two arteries. Hence the definition of 2 or more coronary arteries must be stented leads to the conclusion that 2 or more coronary arteries mean either the two main arteries or one of the main coronary arteries and the branches of these coronary arteries. According to the above it is established that Shri Arun Wankhede underwent 2 stents one at right coronary artery and other at posterolateral branch and that means he has underwent coronary angioplasty with stent implantation in 2 or more coronary arteries. Hence rejection of the claim by LIC of India is not in conformity with the condition stipulated in the policy. The fact that the policy condition stipulated 2 or more coronary arteries

must be stented leads to the conclusion that insurer has envisaged the condition in which stenting takes place not only in the main artery but also in the branches of the main artery. In the facts of the case, the rejection of claim by LIC of India is not tenable.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 585(2009-2010)

Award No.IO/MUM/A/ 341 /2009-2010

Complainant : Dr. Vikas Pandurang Nikam

V/s.

Respondent : LIC of India, Mumbai Divisional Office III

AWARD DATED 21.01.2010

Dr. Vikas Pandurang Nikam had taken an Insurance policy bearing under Plan 14-21 (Endowment Plan). The yearly premium under the policy was Rs.25,881/-. In addition, under the same policy number he was issued a policy under Critical Illness and Premium Waiver Benefit (Rider). The sum assured under critical illness rider was Rs.1.00 lac. The yearly premium under critical illness rider was Rs.1,088/-. This policy was in addition to the main Policy. The date of commencement of the policy was from 19.12.2003.

Dr. Vikas Nikam had undergone Coronary Angioplasty (PTCA stenting to RCA) He submitted a claim under critical illness rider. LIC of India regretted his claim stating that as Balloon Angioplasty is not covered under the Benefit, they regretted the claim.

The relevant records pertaining to the case have been scrutinized. As per the Discharge summary of Riddhi Vinayak Critical Care and Cardiac Centre states that Dr. Vikas Nikar was admitted on 03.12.2008 and discharged on 07.12.2008. The attending doctor was Dr. Sandeep S. Patil, MD. The diagnosis states – Ischemic Heart disease inferior wall myocardial infarction. Coronary Angiography = single vessel disease. PAMI done (PTCA stenting to RCA). The Discharge summary states:-

“Dr. Nikam Vikas, 45 years male patient, known case of hypertension since 8-9 years on regular treatment. Now he presented with complaints of uneasiness and discomfort in the chest since morning at 8.15 a.m. when he was at jogging. He was seen by Dr. Patil Sandeep S who advised him for ECG with revealed T- wave changes and even his cardiac enzymes were elevated. So the patient was admitted at R.V.C.C. hospital for further management and treatment.

Based on the above, Dr. Vikas Nikam submitted a claim to LIC of India quoting conditions and restrictions 2 (B) under the policy terms and conditions which state:-

2(B) The benefit of the policy schedule will be available on the occurrence of any of the following contingencies:

Heart Attack (Myocardial Infarction) The first occurrence of Heart Attack or Myocardial Infarction which means the death of portion of the heart muscle, as a result of an acute interruption of blood supply to myocardium. The diagnosis must be confirmed by the consultant cardiologist which must be based on –

- (x) History of typical chest pain
- (xi) New electro cartographic changes proving infarction.
- (xii) Typical elevation of Cardiac enzyme

The above criteria formed part of the standard terms and conditions envisaged in the policy document by the Insurer under critical illness rider.

However the Company rejected the claim as per clause (D) 10 Exclusion clause which states:-

“Under Coronary Artery Bypass Surgery, the non-surgical techniques such as balloon angioplasty and all other arterial, catheter based techniques or laser procedure treatments are excluded”.

As Dr. Vikas Nikam had undergone PTCA stenting to RCA and as the above treatment is under the exclusion clause, the Insurer rejected his claim. As per the above facts of the case, so far as the contractual rights and obligations under a policy of insurance are concerned, it is the definition of the relevant Critical Illness as stated in the Policy Document that is material. There is no doubt that Dr. Vikas Nikam suffered a Heart Attack but the treatment undergone was PTCA stenting to RCA. Hence the benefit was declined. In view of the above and based on the records produced before this Forum, the rejection of critical illness claim of Dr. Vikas Pandurang Nikam by the LIC of India is tenable.
