

AHMEDABAD

OFFICE OF THE INSURANCE OMBUDSMAN (GUJARAT)

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SYNOPSIS OF AWARDS YEAR: 2008-09

FROM 01.04.2008 TO 30.09.2008

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-006-09

Smt.Anita A.Bhave Vs. LIC of India

Award dated 21.05.08

Under the Varishtha Pension Plan, the Complainant was entitled for quarterly pension @ Rs.4534/- **w.e.f.** 01-01-2004. As per the option, the quarterly pension was being deposited in her bank a/c through E.C.S. The installment due of October 2007 was not credited and it prompted her to raise dispute.

The bank credit was stopped as per R.B.I direction and subsequent post dated cheque was issued to complainant was agreed by her. The E.C.S. clearing was suspended as per R.B.I instruction but amount has already gone out from LIC's a/c as such fresh cheque cannot be issued for October 2007.

In this case, the Forum had limited scope and role to play as the respondent is not at fault.

The Respondent was directed to verify the bank account and conform the complainant that respondent's bank a/c is debited so that complainant can take up the grievance to concerned authority for settlement of Rs.4534/-.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-008-09

Shri Vijaybhai B.Shah Vs. LIC of India

Award dated 23.05.08

The Complainant had taken Ashadeep Plan Insurance Policy. He was operated for angioplasty on 23-06-2007 and claim was lodged for benefit as per schedule of the policy. Claim was repudiated by respondent and dispute was raised by the complainant.

On available papers submitted by both the parties and hearing of both sides, following points were revealed.

The claim was rejected by the respondent as per policy condition which states that - 11.B: one of two benefits (A) & (B) defined will be provided. Only one/eighth benefit becomes payable denying the terms of policy which excludes Angioplasty.

The case was dismissed as the claim was falling in the condition mentioned.

AHMEDABAD OMBUDSMAN CENTRE

Case No.21-001-0082-09

Mr.Balshankar V.Bhatt Vs. LIC of India

Award dated 09.07.08

The permanent disability claim lodged by the complainant was repudiated under three policies which were inceptioned respectively in Dec.1995, Jan.2003 and April 2003 on the grounds of suppression of material facts about blindness in one eye prior to above policies.

The L.A met with bicycle accident and the spokes were broken and pierced through left eye making him blind. The material on record shows that after his accident the L.A was admitted in the hospital for treatment of left eye have registered that the Right eye was already lost over 18 years back and the LA become completely blind.

As per the prevailing underwriting practice on those dates of policies, the DAB/PDB is granted incase of loss of one limb and above policies though the loss of one eye reported would have been accepted with 2.50% extra in 1st policy and without extra for latter two policies.

In all fairness the cases thus deserve more humane and pragmatic approach and in all fairness action declaring null and void ab-initio and forfeiting all premia particularly under policy which run for 10 years out of 12 years term is not justified and complainant partially succeeded.

The award was prior to Respondent to set aside the decision of declaring policies null and void and directed to admit extended Disability benefit (EPDB) under latter two policies w.e.f. 31-12-2004 (date of accident) and to pay sum equal to all premium paid less survival benefit paid already an ex-gratia basis under policy which run for 10 years out of 12 years term.

AHMEDABAD OMBUDSMAN CENTRE

Case No.23-001-0185-08

Shri A.C.Mehta Vs. LIC of India

Award dated 15.07.08

The complaint about Jeevan Suraksha Plan No.122, which was taken by complainant vested for annuity and since the option for annuity was not exercised the annuity was paid by Respondent as per option by default rules and paid monthly annuity Rs.168/- p.m after deferment period of 7 years.

The complainant's plea was, he is entitled for pension/annuity which was mention as per schedule attached to policy at inception which is more by Rs.18/- (Total Rs.186/-) and return of cash option.

Respondent pleaded that rates quoted in schedule/annexure of policy were old rate prior to 30-06-2000, since this policy incepted after that on 20-09-2000 new rates are applicable and payment made is correct.

Since the option was not exercised by annuitant the award was given directing Respondent to allow annuity as per option -D or option -F if complainant so desire.

The complaint thus disposed.

BHOPAL

ORDER NO. BPL/LI/-8-09/ 02

Case No.: LI-490-24/07-08/SDL

Shri Nasir Mohd. Vs. LIC of India, Shahdol D.O.

Shri Nasir Mohd was issued a policy no. 37865427 under plan 172-10 i.e. Future Plus for SA 40,000/- under single premium. But through & over sight it was completed under yearly mode of payment. Mistake brought to the notice of respondent could not be corrected as there was no provision, ultimately, complainant applied for the Surrender value payment. He was paid Rs. 416 by cheque and issued a new policy no. 378600134 for SA of Rs. 20,000/-under single prm. Complainant requested to pay difference of surrender value treating the policy as under single premium. On our intervention respondent has paid the balance surrender value Rs. 11700/- treating the policy under single premium. Hence the complaint is dismissed.

ORDER NO. BPL/AV/-8-09/ 10 Case No.: AVIVA-512-25/03-08/mum

Shri Sanjeev Kumar Parashar Vs. Aviva LI Co.

Shri Sanjeev Kumar Parashar has taken Pol.No. ELP1844731 for Rs.40,000 on 29.01.2008 from Respondent. After receipt of policy complainant did not find it suitable to him hence return the policy for cancellation during the cooling off period and requested to refund the amount. Accordingly, the policy was cancelled and respondent refunded the amount Rs. 37896.00 after deducting Rs. 2104.00 being a difference of value of units as on the date of surrender of units and purchase of units and stamp duty, which is found to be just and fare. Hence the appeal is dismissed without any relief.

ORDER NO. BPL/LI/-8-09/ 11

Case No.: LI-425-24/01-08/BPL

Smt. Chandrabai Vs. LIC of India, Bhopal D.O.

Smt. Chandabai (Complainant) has deposited Rs. 20000/- on 20.05.2005 towards Proposal deposit for new policies under Bima Plus plan at Ganjbasoda Branch. The respondent neither issued the policy nor refunded the amount. Respondent represented that due to non availability of certain records they are unable to trace the amount deposited. The respondent is directed to refund the proposal deposit alongwith interest @ 10%.

ORDER NO. BPL/LI/-8-09/ 12

Case No.: LI-31-25/04-08/BPL

Shri Braj Bhusan Tiwari V/s LIC of India, Bhopal D.O.

Shri Brij Bhushan Tiwari (Complainant) insured under Pol.No. 351691225, Jeevan Shree Policy under yearly mode of payment for Rs. 26412.00 has paid Jan. 2005 premium Rs. 26412/- by cheque no. 238768 drawn on Vidisha Bhopal Kshetriya Gramin Bank of Lateri Branch, debited to his accounts on 28.2.2005, but the premium is not credited to his a/c. On his inquiry with Ganj Basoda Branch he was informed that cheque is dishonored, hence no credit is given to him. The Respondent confirmed that payment received by them was credited to their A/c on 03.03.05 but again debited to their A/c on 18.3.2005. On the basis of which they have taken cheque dishonor action & reverted the credit and informed to the complainant, but did not returned the cheque instrument. The respondent informed on date of hearing that now they have updated the premium and admitted to revive the policy on receipt of premium due for Jan. 08. The appeal is dismissed without relief.

Ord. No- BPL/LI/08-09/016 Case No.: LIC-125-25/07-08/BPL

Smt. Vimla

Vs

LIC of India, Bhopal

Smt. Vimla has deposited the amount of Rs. 25000/- on 28.07.2006 vide MR No. 632 towards the proposal deposit for Market Plus Policy from Pathakheda Branch has neither received document nor refund of premium. The respondent represented that matter was under investigation and requested to grant 15 days period to investigate in the matter. Since the matter was pending since long the respondent is directed to pay the amount of Rs. 25000/- with interest @ 9% to the complainant.

Shri Santosh Bilgaiyan V/s LIC of India, Jabalpur

The complainant was insured under Pol.No. 373289395 under Future Plus w.e.f. 15.3.2005 under Single Premium for Rs. 1.00 lakh. He has applied on 09.03.2007 for change of fund from Bond to Growth fund which was not affected by the respondent. Hence he did not surrender the policy. The respondent presented that due to some technical reasons change of fund could not be affected from 09.03.2007.

Respondent is ready to pay Rs.10446 towards the difference of amount. In view of the above the respondent is directed to pay and settle the claim.

Dr. Gagan Singh V/s HDFC

Complainant was insured under Personal Policy Plan No. 10666228 w.e.f. 11th July 2006 for Basic SA of Rs. 470937.00 with yearly mode of premium payment of Rs. 20000/- from the respondent. Applied for surrender the policy in July 2007 rejected by the respondent that minimum 3 years not completed. Complainant argued that he was not told about three years locking period. The

respondent replied that if the policy surrender within 3 years, nothing is payable as per the terms and conditions. The appeal is dismissed without any relief.

Ord. No- BPL/HDFC/08-09/015 Case No.: HDFC-97-25/06-08/MUM

Shri B.V.Mahajan

Vs

HDFC Standard Life Insurance Co.Ltd

Shri B.V.Mahajan of Indore (Complainant] had taken two policies from HDFC Standard Life Insurance Co.Ltd, unit Indore . The Complainant was told that 90% of premium allocation in 1st & 2nd year and 99% in 3rd year & onwards. On receipt of the policy document the matter brought to the knowledge of Mr. Amardeep Singh, Agent of the respondent, he told that though the allocation in policy bond is 80% the difference amount will be deposited by him as Top-Up and on this basis he could not returned the policy within the cooling off period. But, he failed to keep his promise. The respondent confirmed that policy was issued to him for Rs. 2.00 lakhs under Unit Linked Endowment Plan with life and health option for 10 years. As per the plan feature allocation is 80% for the Ist and IInd year and 99% in the 3rd year & onwards. Whatever, the commitment given by the agent is not binding to the company. The policy is received for surrender after free look period. The matter was considered by the Ombudsman after hearing of arguments and documentary proof produced by both the parties. The respondent has agreed to refund the amount of Rs. 2.00 lakh on receipt of the policy document and consent. Hence, the case is dismissed.

Ord. No- BPL/LI/08-09/021 Case No.: LIC-380-24/12-07/JBP

Shri S.R. Barapatre

V/s

LIC of India

Shri S.R. Barapatre, Branch Manager SBI,Gosalpur holding Five insurance policies namely 29075156, 371076718, 370120503, 371079469 and 370120620 under SSS, Amounting total prm of Rs. 691.00. He has deposited Rs. 14679.00 on 19.10.2002 to Sihora Branch for 21 monthly premiums due under the above policies. Out of which under Ist three policies premium were adjusted. But for remaining 2 policies i.e. 4 & 5 premium did not adjusted due to non availability of records. The respondent assured to redress the complaint on receipt of the relevant records. The respondent is directed to adjust the premium on the above two policies within one month from the date of receipt this order.

Ord. No- BPL/BA/08-09/028 Case No.: BA-09-25/04-09/Pune

Shri Vijay Sharma V/s Bajaj Allianz L.I.Co.Ltd.

Pol.No. 0016715057 Family Gain Policy

Shri Vijay Sharma (Advocate) has taken the above policy from Bajaj Allianz on 28.02.2006, met with an accident on 27.11.2007, and took the treatment from the hospital for the period 27.11.2007 to 5.12.2007 and he submitted his claims for Rs. 80,000/- under partial disability & hospital treatment. Respondent has refused the claim stating that he was covered only for basic sum assured and not opted for riders for accident & hospital expenses.

Aggrieved from the decision of the respondent, complaint has lodged for seeking direction to respondent to settle the claim. For the sake of natural justice hearing was held on 4.11.2008. Complaint submitted that as per the policy condition, insurance cover means Life Insurance Covers, critical illness cover, accidental death and accidental permanent total/partial disability cover and hospital cover. Hence he is entitled for his claim of Rs. 80,000/-. Respondent represented that the policy was issued only for basic SA. Which does not include accidental, critical illness cover, accidental death cover and accidental permanent / partial disability cover and hospital expense, for which he has to write specifically while filling in the proposal form and has to pay additional premium. For the said benefit the Proposal form filled in by the complainant does not show any request for the riders for additional benefit, nor he has paid additional premium. Hence he is not entitled for the above claim. The complaint is dismissed without any relief.

Ord. No- BPL/LI/08-09/30 Case No.: SBI-179-24/08-09/Mumbai.

Shri Suresh Chandra Prasad Sinha Vs. SBI Life.

Pol.No. 19002277804

The complainant complains that the Respondent's Officer Shri Yogesh Shrivastava has represented the fact and issued him a policy. He issued a

cheque for 50,000/- towards single premium for policy no. 190002277804. The policy was issued under whole life with annual premium of Rs. 50,000/- for 5 years which he can not afford being retired person aged 63 years. Hence requested to the respondent to cancel the policy and return the premium as it is not suitable to him and sold to him by misguiding him by Shri Yogesh Shrivastava. The respondent replied that cooling off period is over therefore unable to refund the premium. Aggrieved from the action of the respondent, complainant lodged the complaint seeking direction to refund premium of Rs. 50,000/-. The complainant submitted a letter dt. 17.7.08 the respondent stating that appropriate action has been initiated against Yogesh Shrivastava, Unit Manger. The Respondent represent that the policy was issued as per the proposal form completed and issued by the complainant. The request for cancellation and refund of premium is received after cooling off period of 15 days is expired hence as per the policy condition they are unable to refund the premium. The Respondent's letter 17.7.08 informing the complainant that appropriate action against Unit Manger has been initiated proves that allegation of complaint's is seems to be correct. The retired person aged 63 having income of 1.75 lacs P.A. can not afford premium of Rs. 50,000/- for 5 years. Hence it is comprising that it is wrong selling of plan. The respondent is failed to proved that charges leveled for complainant is wrong. Hence the respondent is directed to refund Rs. 50,000/-.

Ord. No- BPL/LI/08-09/032 Case No.: LI-102-20/06-08/JBP

Shri Sudhir Suhane V/s LIC of India, DO, Jabalpur

Pol.No. 373373866

Shri Sudhir Suhane complaint that he has surrender the above policy with a view to invest for new market policy but the cheque issued towards surrender value is issued to some body else without his consent. Aggrieved from the action of Respondent the complaint lodge the complaint seeking direction to provide information of appropriation of said cheque. For the sake of natural justice hearing was held on 7.11.08. The complainant submitted that the SV cheque of

Rs. 35705/- was given to his brother without his consent which he wants to reinvest in market plus policy.

The respondent submitted the complaint was LIC agent and committed fraud render 27 death claims for which investigation is under process, for which recovery is effected through his commission and other proceeds of the claims. The complainant has given a letter requesting the Br.Manager, that the cheque issued for SV of Pol.No. 373373866 may be issued in favour of LIC of India and did not submitted a challan for new prop. Form. The cheque was approved against recovery under pol.no. 372111963 of Shri Shivram Sen, which was also informed to the complainant by Regd. Post letter dt. 11.08.08. The complaint is dismissed without any relief.

Ord. No- BPL/LI/08-09/033 Case No.: LI-119-20/07-08/SDL

Shri Jasbir Singh V/s LIC of India, DO, Shahdol.

Pol.No. 380986502, 380982154 & 381002367.

Shri Jasbir Singh holder of the above policies complaint that he was under the above three policies was under SSS at Kotma Br.Office under Shahdol DO. On his transferred to Chandigarh he had requested to transfer the policy records to Chandigarh, could not be get transferred despite several reminders. Aggrieved from the action respondent lodged the complaint seeking direction to transfer the policy records to Chandigarh. For the sake of natural justice hearing was held on 5.11.2008. The complainant did not present but requested to proceed on the basis of his submission. The respondent submitted that the policy records of Pol.No. 380986502 & 3810023678 is transferred to Bhatinda BO in Aug. 08, where as Pol.No. 380982154 is due for Maturity payment in Feb. 09 could not be transferred as maturity payment is tender less than one year.

In view of the above submission of respondent the complaint is dismissed.

Order No. BPL/SBI/08-09/34 Case No. SBI-164-21/08-09/MUM

Smt. Manju Garg Vs SBI Life : Mumbai

Smt. Manju Garg has taken a SBI Life Insurance Policy number 28024036404 under Table/Term Unit Plus II Pension with mode of premium annually for Rs. 1.00 lakh on 30-03-2008. On receipt of policy document through Shri Pushpendra Jain; on 14th July 2008 she wrote SBI Life Company that the policy is not suitable to her hence cancel the policy and refund the full premium. In reply of which on 18th July 2008 the company has replied that since the free look period is over policy cannot be cancelled under freelook period and advised to continue the same.

Respondent replied that the policy was delivered on 15.05.2008 at the residential address of the complainant. There is no doubt that policy no. 28024036404 was issued to Smt. Manju Garg. The policy was also delivered on 15.05.2008. The respondent has applied for cancellation of the policy on 14.07.2008, after a period of about 2 months from the date of the receipt of the policy. Hence, the complainant's statement that she receives the policy on 11.07.2008 is not acceptable as she has provided the address in the proposal form on which the policy was delivered.

In view of the above, the complaint is dismissed.

BHUBANESWAR

BHUBANESWAR OMBUDSMAN CENTER

Complaint No. 24-001-0513

Sri Subash Kumar Praharaj

Vrs.

Life Insurance Corporation of India

(Bhubaneswar BO/Cuttack DO)

Award dated 28th May '2008.

Fact :

The complainant while working in Orissa State Co-op. Handicraft Corporation Ltd., Bhubaneswar had obtained the policy NO. 581191710 for Rs.30000/- on 28.3.92. As per the terms of the policy 15% of the sum assured payable as Survival Benefit. The complainant had got first due on 27.3.97 but second and third dues in March'02 & March'07 not made in spite of several correspondence with the insurer.

Award:

The insurer pleaded that they had not received premiums from July'2000 from the Paying Authority in spite of several reminders. So policy being lapsed, for which 2nd and 3rd Survival Benefits are not payable. The policy in question lapsed since more than seven years. The organisation now being closed and so it is difficult to know whether premium amount since July'2000 has been deducted from the salary of the complainant. If so what happened to those amounts.

The copy of the letter dtd. 13.3.08 of Managing Director, Orissa State Co-op. Handicraft Corpn. Ltd. to the Sr. Branch Manager, LIC, Bhubaneswar Br.I says premium amount has been deducted but not deposited with LIC and the person concerned has been asked to take back the amount to deposit the same with LIC. This would say that there was no negligence on the part of the complainant. So he should not suffer.

So the insurer was advised to accept the premium amount from the complainant without imposing any penalty and SB dues on 28.3.02 and 28.3.07 to be paid within two months from the date of receipt of the consent letter. The complainant was directed to deposit the premium amount with the insurer by 1st July'2008.

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CHANDIGARH

Chandigarh Ombudsman Centre

Aviva/048/Gurgaon/Ludhiana/22/09

Balraj Singh Vs Aviva Life

Order Dated: 28th May, 2008

Facts: The complainant Sh. Balraj Singh stated that he and his family resides at Italy. They have a joint account in Centurion Bank of Punjab, Ludhiana. The insurer fraudently withdrew Rs.1,02,000/- from his account and invested the same in a ULIP policy on 16.03.2006. The policy was issued in his name and dispatched at his Ludhiana address. He received the same at Italy through his uncle in Feb, 2008. The

complainant's family had left India in Feb, 2006 and he had also joined his family at Italy on 08.03.2006. He failed to understand who had signed the proposal form on his behalf and got the policy issued. He had brought this to the notice of the insurer on 24.03.2008 and had requested them to deposit the withdrawn amount with interest back to his account. But even after a lapse of one month the company has failed to deposit the said amount.

Findings: The insurer clarified the position by stating that they were not aware of the background of the case. They would like to get the matter investigated and for this, they wanted a Bank statement of the complainant.

Decision: Since the date of departure of the complainant to Italy was before the date of proposal, as is evident from the passport, the proposal italics is void. The policy cannot be, issued under normal circumstances. It would therefore be fair and just if the policy is cancelled and the amount refunded to the complainant with interest. It was ordered that the insurer should cancel the policy and refund the premium to complainant along with interest @8%.

MISCELLANEOUS

**Chandigarh Ombudsman Centre
AVIVA/018/Gurgaon/Gurdaspur/22/09**

Krishna Kumar Aggarwal Vs AVIVA

Order Dated: 20th May, 2008

Facts: The complainant Shri Krishna Kumar Aggarwal stated that his date of birth and name of the nominee were erroneously filled by the advisor in his policy bond. To correct the same he had submitted his original policy along with his passport copy on 27.08.07. But he was surprised when he received a letter from the insurer in the month of March 2008 informing him that the company had forfeited his two premiums of Rs. 13,400/- each amounting to Rs. 26,800/- and terminated the policy. In reply he had requested the insurer to reconsider their decision but till date he did not get any response.

Findings: The insurer informed that the complainant had proposed for a Life Long Unit Linked Templated Policy on 10.05.06. The date of birth of the policyholder as mentioned in the Proposal Form was 26th August 1969 and Mrs. Renu Aggarwal was made the nominee. On the basis of this an insurance policy was issued. Thereafter, the company received a letter from Policyholder wherein he informed the company that his correct date of birth was 26th February 1948 enclosing a copy of his passport as a proof. He also requested the company to change the nominee from Mrs. Renu Aggarwal to Mrs. Sudha Aggarwal. The company terminated the policy for non-disclosure of material information and forfeited the amount paid by the policyholder towards annual premium. As per the policy guidelines the maximum entry age of a policyholder for a Life Long Unit Linked Templated policy is 45 years whereas in the instant case the entry age of the policyholder at the time of commencement of the policy was 56 years and accordingly the same was informed to him. Thereafter, the policyholder requested the company to refund the amount paid by him towards premium, but his request was turned down, because the policy was terminated due to non-disclosure of the material information. Thereafter on receipt of the complaint letter the company re-investigated the matter and, as a special case, the company has considered the request of the policyholder and has agreed to refund the premium amount to him. A refund cheque will be sent to the policyholder shortly. Hence requested dismissal of the case.

Decision: Since the grievance of the complainant was redressed, no further action was called for. The case was closed.

MISCELLANEOUS

**Chandigarh Ombudsman Centre
ICICI/509/Mumbai/Ludhiana/22/09**

Jarnail Singh Vs ICICI

Order Dated: 9th May, 2008

Facts: The complainant Sh. Jarnail Singh had purchased three policies under single premium mode. He had invested the amount one year back when he got some money in lump sum from sale of ancestral property. He was a scooter mechanic and he was not in a position to pay the premium annually of Rs. 3.5 Lakhs. He wanted that the regular premium policy should be converted to single premium policy.

Findings: The insurer clarified the position by stating that the policies were given as per the proposal form signed by the complainant. On a query as to what was the annual income reflected in the proposal form, the insurer replied that it was 1.25 Lakhs. On a query as to how the complainant could pay Rs. 3.50 Lakhs premium on an income of Rs. 1.25 Lakhs, the insurer could not give a satisfactory reply.

Decision: Held that the contention of the complainant that he was interested in single premium policy, is justified. The insurer was advised to convert the policy from regular premium mode to single premium mode w.e.f. the date of commencement of the policies and adjust the fund allocation charges accordingly.

MISCELLANEOUS

**Chandigarh Ombudsman Centre
LIC/057/Ludhiana/Unit-II/22/09**

Ravi Kumar Mahant Vs LIC

Order Dated : 11th June, 2008

Facts: The complainant Sh. Ravi Kumar Mahant had purchased a Jeevan Sathi Policy. Due to some personal reasons, the applicant and his wife obtained the decree of divorce on 21.01.2008 with mutual consent. He met the branch manager on 21.03.08 and provided him the photocopies of the court order and a copy of the instruction for alteration in the policy. He was informed that the case has been referred to the legal section and the needful action will be done only after its receipt of the decision. He has further intimated that if it is not possible to change the plan then the amount of Rs. 27528/- deposited by him be refunded to him with interest and bonus.

Findings: The insurer clarified the position by stating that this was a 'Jeevan Sathi' policy jointly in the name of complainant and his wife. The requirement for cancellation of a joint life policy or to

convert it to single life policy or endowment plan needs the joint discharge of both the partners. A letter has been written to the complainant to get a letter of relinquishment from his ex-wife so that the policy could be cancelled and either surrender value paid or any other alteration could be affected. The same was awaited. On a query, whether the letter of insurer was received, the complainant replied in the negative.

Decision: Held that the requirement given by the insurer to the complainant for getting a letter of joint discharge from his wife is as per the policy terms & conditions and as per the guidelines of the insurer. The complainant is advised to produce a letter of discharge or get a court order stating that the policy number 300212881 is sole property of the complainant and is free from any kind of encumbrance.

MISCELLANEOUS

Chandigarh Ombudsman Centre

Max. New York/036/Gurgaon/Chandigarh/22/09

V.K Sharma Vs Max. New York

Order Dated: 10th June, 2008

Facts: The complainant Sqn. Ldr. V.K. Sharma had purchased a policy for his daughter, Ms. Ranjana Sharma by paying first semi annual premium of Rs.25,000/- on 02.11.2007. He did not receive the policy

but on 22.11.2007 he received a letter from the insurer informing him that policy no.446386161 had been changed to 436155642. When he received the policy in Dec-2007, he noticed a number of mistakes and wrong information in the proposal form. Even the signature were forged. After bringing this to the notice of the insurer, he received a letter confirming the updation of records but no copy was issued to him. When he enquired, he was advised to cancel the policy and fill in a new proposal form. The same was done and when the new policy bearing no. 454988775 was handed over to him by the representative of the insurer, he (complainant) asked him to check if there was any mistake. There was some mistake in calculation of SA. He felt frustrated over the whole issue and requested for termination of the policy right away on 28.02.2008. He again reminded them on 26.03.2008, 12.04.2008 and 18.04.2008. Till date the company had not responded.

Findings: The insurer clarified the position by stating that there were a few typographical errors and the policy with all the rectifications and correction has been prepared and is under dispatch to the complainant. On a query, whether he would be satisfied to get an updated copy of the policy documents, the complainant stated that he would like to cancel the policy and get the refund of the amount.

Decision: Since the rectified / amended copy of the policy documents has still not been received by the complainant, the case should be treated as being one within the free look period. Hence the complainant should get the refund of the premium paid by him. It was ordered that an amount of Rs. 25000/- along with interest @8% per annum should be paid under regulation 6 (2) of IRDA (Protection of Policy Holder's Interest) Regulations 2002.

MISCELLANEOUS

Chandigarh Ombudsman Centre
ICICI /152/Mumbai/Chandigarh/22/09
Bhajan Singh Vs ICICI

Order dated: 12th August, 2008

Facts: The complainant Sh. Bhajan Singh stated that he was approached by the insurer's agent who allured him in depositing Rs.5,00,000/- for 3 years in a fixed deposit which would yield Rs. 10 lakhs after 3 years and he need not to pay a single rupee in the consecutive years to come.

Findings: The insurer clarified the position by stating that the annual premium can be reduced and the minimum premium payable is Rs. 60,000/-. If this premium is paid for the next two years, then the policy would acquire a surrender value which can be encashed. If the policy is continued, pension would start accruing after 10 years.

Decision: Held that the offer of the insurer to reduce the premium to 60,000/- from the second premium onwards is plausible and appears to be within the paying capacity of the complainant. The complainant is advised to bear with the terms and conditions of the policy and continue with the policy. No further action is called for. The case is closed.

MISCELLANEOUS

Chandigarh Ombudsman Centre

.Birla Sun Life/082/Mumbai/Ludhiana/22/09

Swarn Kanta Jain Vs Birla Sun Life Insurance Co. Ltd.

Order dated: 4th August, 2008

Facts: The complainant Ms. Swarn Kanta Jain had applied for an insurance policy which was declined due to non compliance of requirements. She came to know about the medical checkup which was not conducted only through this office. She further stated that she got issued a new plan (Gold Plus II) from the same company after undergoing a medical checkup. Hence in reference to the new policy the company should issue the previous policy. She requested intervention of this forum in getting the previous policy issued.

Findings: The insurer stated that the complainant had applied for four policies with them from time to time. The 1st Policy for Rs. 1.00 lakh was issued in Sep-07 after obtaining FMR. She applied for the second policy for Rs. 1.00 lakh which was issued considering the fact that FMR done for the first policy was still valid. In Dec-07, after three months, she applied for the third policy for which she was asked to undergo Medical Test like ECG, X-Ray etc. This she declined to undergo and hence the policy was not issued as the underwriting requirement were not fulfilled and the amount of premium was refunded to her in Feb-08. She applied for fourth policy in March-08 for which she had undergone all the medical tests as required and the policy was issued to her after she completed the underwriting requirement for the same. She was at liberty to apply for a fresh policy and the same would be considered as per underwriting norms.

Decision: Held that the action taken by the insurer in not issuing the third policy was as per underwriting norms and their action was in order. The complainant was advised to apply for a fresh policy which should be considered by the insurer under their appropriate underwriting norms.

MISCELLANEOUS

Chandigarh Ombudsman Centre

HDFC/491/Mumbai/Fatehbad/22/08

Sandeep Sachdeva Vs HDFC Standard Life Insurance Co. Ltd.

Order dated: 5th August, 2008

Facts: Sh. Sandeep Sachdeva had purchased a Young Star Suvidha policy by paying Rs. 50,000/- towards first premium. While taking the policy the representative of the HDFC Bank had said that he could reduce to 2nd premium upto 1/4th of the first premium amount but the same was denied when the second premium fell due and he was asked to pay the full premium amount. On giving a complaint to the insurer, an option for reduction in premium upto Rs. 12500/- p.a and a revised S.A from Rs. 2,50,000/- to 62,500/- was offered. He was also asked to pay Rs. 15,000/- towards premium reduction charges which was not acceptable to him as he was misguided by the bank representative. He has yet another policy with annual premium of Rs. 50,000/-. He is facing the same problem in this policy also. He stated that being a service man he cannot afford to pay such huge premiums under both the policy.

Findings: The insurer clarified the position by stating that as per terms and conditions of the policy approved by IRDA, 30% premium reduction charges are to be levied on the difference of the normal premium amount and the reduced premium in the first two years. Since the premium due in Nov-07 was in the first two years, the complainant was asked to pay the 30% Premium Reduction charges. On a query, whether Premium Reduction charges would be levied after completion of two years the insurer replied that the terms and conditions were silent in this respect.

Decision: Held that the contention of the insurer that 30% of the Premium Reduction charges are to be levied within the first two years are in order. The complainant is advised to pay the Premium Reduction charges if he wants the premium to be reduced within the first two years. Alternately, he is advised to pay the full premium due in Nov-07 and apply for reduction of premium after completion of two years of the policy. The insurer should waive of the late fee charges if the premium is paid by 20.08.08.

MISCELLANEOUS

Chandigarh Ombudsman Centre

LIC/131/Amritsar/Chheharta/22/06

Ramit Kumar Mehta Vs LIC of India

Order dated: 14th August, 2008

Facts: Sh. Ramit Kumar Mehta stated that the Branch had raised loan against his policy without his consent. He had also requested Branch Manager to rectify the mistake. But no action has been taken from the Branch Office till date.

Findings: The insurer clarified the position by stating that due to a systematic error, there were wrong allocation of units due to switching over in an anti-dated manner. As a result, the policy was frozen by SDC. Later, it was rectified and according to the rectification, an amount of Rs. 62,916 was over paid to the complainant at the time of surrender which was pointed out by auditor. Letters were written to the complainant to refund the amount. However, since no reply was forthcoming a loan for Rs. 63,000/- against another policy was raised against the policy. An amount of Rs. 62,916 was deducted and an amount of Rs. 84/- was refunded to the complainant being the balance amount.

Decision: On perusal of the records it was found that the overpayment due to systematic error cannot make the overpayment legal. Public money, where excess payment has been made must be refunded by the person to whom overpayment has been made. Accordingly, the action of the insurer in raising a loan to recover the money is in order. No further action was called for. The complaint was dismissed.

MISCELLANEOUS

Chandigarh Ombudsman Centre

HDFC/135/Mumbai/Rohtak/22/09

Jora Singh Vs HDFC Standard Life Insurance Co. Ltd.

Order dated: 19th August, 2008

Facts: The complainant, Sh. Jora Singh had purchased a Unit linked endowment policy in the name of a minor Sh. Mohit. The representative of the HDFC Bank had explained him a children scheme in which he had to pay the premium only once. However, when the policy was received, it was to be a multi-premium policy for 3 years and every year he had to pay Rs. 1,15,000/- which the child was not in a position to pay. He as guardian considered it as a mis-sale of the policy and wanted the policy to be cancelled and amount refunded to the appointee Sh. Wazir Singh.

Findings: The Insurer clarified the position by stating that the policy was as per the proposal form. The free look period was over and hence the policy could not be cancelled.

Decision: On perusal of the records, it was found that that the contention of the complainant that it was a mis sale of policy was borne out by the fact that the minor child did not have the wherewithal to pay the next premium. However, the life assured is maternal uncle of the nominee under the policy, hence the minor nominee does not have any insurable interest and there was a serious

underwriting lapse on the part of the insurer. The insurer is advised to treat the policy as being within the free look period as a special case and cancel the policy. The amount of first premium should be refunded and the cheque made in the name of Sh. Wazir Singh, being the appointee.

MISCELLANEOUS

Chandigarh Ombudsman Centre

Aviva/165/Gurgaon/Yamuna Nagar/22/09

Dr. Viney Aggarwal Vs Aviva Life

Order dated: 1st September, 2008

Facts: Dr.Viney Aggarwal had purchased a policy through Centurion Bank of Punjab. He stated that at the age of 40 years he was mis-sold a policy with life long term and now he is supposed to pay annual premium of Rs. 25,000/- till 2052 i.e till he attains the age of 85 years. He was given a rosy picture of returns at the end of 15-20 years. He was not told that the policy is for a term of 45 years from DOC. He stated that he is a self-employed man with no other source of income and if he surrenders

the policy he will have to suffer heavy losses. He wanted the policy to be cancelled and amount refunded to him with interest.

Findings: The insurer clarified the position by stating that no request for cancellation was received during the free look period. Hence the policy could not be cancelled. On a query whether, any person would be interested in getting a policy for 45 years term, the insurer stated that it did not appear plausible.

Decision: Held that the selling of a policy for 45 year term appeared to be gross mis sale of policy as it does not serve the family needs of the complainant. Therefore, it is not a need based selling. Accordingly though outside free-look-in period the policy should be cancelled and NAV as on date should be paid by the insurer to the complainant subject to deduction of risk premium charges for the period the policy was in force. The payment should be made on Ex-Gratia basis under rule 16(2) read with Rule 18 of RPG Rules 1998.

MISCELLANEOUS

Chandigarh Ombudsman Centre

LIC/190/Shimla/Kangra/22/09

Sh. Rakesh Kumar Vs LIC of India

Order dated: 26th September, 2008

Facts: Sh. Rakesh Kumar had purchased a policy from Dharamshala, Branch Office. He had deposited Rs. 40,000/- under Fortune Plus Plan but insurer had issued a policy under Profit Plus Regular Plan. He had requested the Branch Office for change in plan or refund of amount of Rs. 40,000/- with interest but he did not get any response.

Findings: The insurer clarified the position by stating that there was no software available with them to change the policy from Profit Plus Regular Plan to Fortune Plus.

Decision: Held that issuing of a policy which the complainant had not applied for is an underwriting lapse on the part of the insurer and the complainant should not be penalized for this. It would therefore be appropriate if the policy is cancelled and the amount of premium refunded to the complainant alongwith interest. It was ordered that an amount of Rs. 40,000/- plus interest @8% w.e.f. the date of commencement of the policy till the date of payment should be made by the insurer to the complainant, if required manually, under intimation to this office.

CHENNAI

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI.

COMPLAINT NO: IO (CHN)/ 21.007.2680/2008-09

Sri.P.C.Bhaskar Vs Max New york Life Insurance Company ltd.

AWARD NO: IO (CHN)/L-004/2008-09 Dated 30.04.2008.

Sri P.C Bhaskar had preferred a complaint with the forum that Max Newyork Life Insurance Company with whom he had taken insurance policies was refusing his request for surrender of his policies and were insisting that he should pay premium for 3 years to consider his request. He complained that he was not informed about the actual terms and conditions of the policy and in fact he had not received the policy bonds itself. He pleaded that the Agent had collected premium of Rs Two lakhs for two proposals which he got signed promising him return of money with attractive interest after 1 year. When he approached the insurer he was told that the policy issued to him was Whole life policy under which he should pay the next premium that has fallen due. When the insured expressed his desire to surrender the policies the company told him that he should remit premium for at least 3 years to consider his request. The complainant contested the decision of the insurer and prayed for refund of premiums with interest.

During the hearing the representative of the complainant stated that the complainant was assured high return on his investments and that the term of the policies was for 1 year. Contrary to their expectations they received a letter from the insurer that his policies were lapsed and had not acquired any Surrender value. He contended that they never received the policy bonds to know its terms and conditions.

The Insurer contended that their Agent had explained all features of the plan to the proponent and that they issued Two Whole life policies after the life assured had undergone necessary medical examination etc. The insurer further contended that the policies under question were issued on 26.04.2006 and that as per the policy conditions the insured had to pay annual premium of Rs100000/- under each policy till March 2061. the policy cannot be cancelled as Free look provision had elapsed.

The insurer could not submit any proof for having delivered the policies. There was no documentary evidence to prove what transpired between the Agent and the Proposer. On perusal of the documents it was observed that the insurer had no proof for having despatched the policy bonds or any acknowledgement to prove that the policy documents were handed over to the complainant. Therefore the forum directed the insurer to refund the premium in full.

The complaint was allowed.

Chennai Ombudsman Centre

Case NO: IO(CHN)/21.04.2681/2008-09

Lt.Col.A.S.Nair

Vs

ICICI Prudential Life Ins.Co.Ltd

AWARD NO: IO(CHN)/L-003/2008-09 30.04.2008.

Lt.Col.A.S.Nair had taken a Cash Plus, a Unit Linked Policy bearing number 00954066 with ICICI Prudential Co.Ltd. Trivandrum. He had applied for a Statement of Account for the period 19.6.2004 to 25.07.2007. Not convinced with the amount deducted towards Mortality Charges, he alleged that the policy document did not specify the actual amount and that the Insurer was unilaterally charging the premium. Meanwhile, he did not pay the premium due 19.6.2007. The policy lapsed. The Insurer offered the option of either revival or surrender of the policy. The assured filed a complaint challenging the surrender value offered by the company on the grounds that the Insurer had not informed him of the "mortality charges". He contended that he was eligible for higher value by invoking Section 8.5 of the policy conditions. Hence the complaint.

A hearing was held on 26.03.2008. The complainant contested that the surrender value offered by the Insurer instead of the policy proceeds in the Investment Fund. The Insurer argued that the policy was sent to the assured with the provision of "Free Look Period" clearly mentioning that the assured had the option to return the policy if he was not satisfied with the policy features or the terms and conditions of the policy. Since nothing was heard from the assured, it was implied that he was satisfied with the policy conditions. The Insurer further said that the policy condition 8.5 was not applicable in this case. They added that life insurance charges were set on the basis of mortality table filed with IRDA and the company was not liable to give

the exact quantum. The Insurer offered to waive the interest portion as a special case, for reviving the policy.

The Forum observed that there was change in the yearly premium, annual administrative charges or the Investment charges and as such there was no change in the mortality charges. In the absence of revision in the yearly premium and mortality charges, Clause 8.5 could not be invoked. As a result, the complaint failed.

The complaint was **thus dismissed**.

-2-

DELHI

Delhi Ombudsman Centre

LI/Tata AIG/284/07

Shri Hemant Kumar Aggarwal

Vs

Tata AIG Life Insurance Company Limited

Award Dated 21.04.2008

The Complaint was heard on 26.03.2008. The complainant, Shri Hemant Kumar Aggarwal, was present. The Insurance Company was represented by Neelu Datta, Head of Customer Services.

Shri Hemant Kumar Aggarwal has lodged a complaint with this Forum on 01.12.2007 that he had taken a life insurance policy from Tata AIG Life Insurance Company Limited from 18.09.2006 wherein he was covered for death benefit of Rs.1, 35,000/-, Critical Illness Benefit of Rs.1, 00,000/- and Accidental Death Benefit of Rs.1, 00,000/- He had suffered heart attack on 14.05.2007. He had sent claim papers and all other required documents related to his illness to the Insurance Company but Shri Viresh Patel (Senior Manager Operations) declined the claim saying that heart attack suffered by him does not meet criteria defined under the critical illness benefit. But in this reference, his treating doctor Shri JPS Sawhney says that the Insurance Company does not want to give the claim. He did not agree with the decision of the Insurance Company. He has informed him that the heart attack suffered by him met with all the criteria defined under Critical Illness Benefit policy. He has been denied his rightful claim. He has requested the Forum that his claim for Rs.1,35,000/- be paid to him.

Shri Hemant Kumar Aggarwal, at the time of hearing, informed the forum that he had vomiting at 4.00 a.m. followed heaviness, sweating and pain in left hand side. He immediately rushed to Saroj Hospital where he was treated. Later, he was moved to Sir Ganga Ram Hospital where necessary tests were carried out and angiography was performed. The Insurance Company has repudiated his claim on the ground that it did not meet the condition No.(ii) and (iii) of critical illness benefit whereas as per Dr.JPS Sawhney, it was a case of heart attack and the three conditions are complied with since there was a history of prolonged chest pain. He was thrombolysed outside and acute inferior Wall MI. The Insurance Company has wrongly repudiated his claim.

The representative of the Insurance Company informed the forum that as per panel doctor, Shri Hemant Kumar Aggarwal was admitted in Sir Ganga Ram Hospital on 15.05.2007 and had suffered heart attack. He had preferred a claim but as per their in house doctor, only Condition No.(i) of the Critical Illness Benefit policy was complied with. Condition No.(ii) and (iii) of the policy are not complied with. As such they have rightly repudiated the claim.

After hearing both the parties and on examination of the documents submitted, it is observed that Shri Hemant Kumar Aggarwal had vomiting at 4.00 a.m. followed heaviness, sweating and pain in left hand side. He was admitted in Saroj and later moved to Sir Ganga Ram Hospital where necessary tests were carried out and angiography was performed. The Insurance Company has repudiated his claim on the ground that it did not meet the condition No.(ii) and (iii) of critical illness benefit policy. Shri Hemant Kumar Aggarwal has typical prolonged chest pain and had grossly abnormal ECG suggestive of ST elevated acute inferior wall myocardial infarction. He also showed raised CPK MB- 36 UL. Regarding cardiac enzymes Troponin T or I and CPK MB, Troponin T or I was not done in this case and CPK MB was raised to 36 U/L (normal range (0-24). These enzymes need to be done serially before concluding that the rise of CPK MB should be at least 200% of normal reference range. It is also observed that the tests which were not conducted for enzymes need to be done were not performed. It

appears that the hospital did not wish to carry out these tests as the angiography was done against package payment. There appears to be no fault on the part of Shri Hemant Kumar Aggarwal since it is the duty of the doctors to properly perform the tests which they have not done. In view of the foregoing, I am of the opinion that the Tata AIG Life Insurance Company Limited cannot run away from their liability under the policy. I, therefore, pass the Award that the claim of Shri Hemant Kumar Aggarwal be paid to him under Critical Illness Benefit policy.

Miscellaneous

Delhi Ombudsman Centre

LI/Bajaj/225(a),225(b),225(c)/07

Shri D.K.Kochar, Ms.Indira Kochar & Ms.K.K.Kochar

Vs.

Bajaj Allianz Life Insurance Company Limited

Award Dated 23.05.2008

The complaints of the above named complainants were consolidated by this Forum vide its Order dated 19.12.2007. The complaints were heard on 12.05.2008 at Jaipur. The complainants, Shri D.K.Kochar, Ms.Indira Kochar and Ms.K.K.Kochar were represented by Shri D.K.Kochar. The Insurance Company was represented by Shri Tarun Kumar Soni.

The above named complainants have lodged a complaint with this Forum on 18.05.2007 that they had been issued policy No.19737627 fvg. Ms.Kamla Kumari Kochar, Policy No.0020246717 fvg. Ms. Indra Kochar and Policy No.0019606935 fvg. Shri Devinder Kumar Kochar. Since the complaint of the above named complainants is that they had received the policy bond on 22.03.2007 by hand which had the following discrepancies:

- (1) Various columns in the policy bond are not filled in.
- (2) The services of the Insurance Company are poor and delayed.
- (3) The proceeds of the policy are lesser than as companied by their agent verbally.
- (4) Policies are not provided in Hindi.
- (5) Since policies printed in international language hence translation in Hindi is very difficult.
- (6) The dues amount in the policies are not given the same as informed by the agent verbally.

The policies were returned to the Insurance Company under free look period requesting them to cancel the policies and return their premium amount along with interest.

The Insurance Company informed Shri Devender Kumar Kochar vide their letter dated 25.08.2007 that in reference to the complaint to IRDA for policies No.0019606935 and 0019737627, they have verified the matter and wishes to confirm that as per record the policy documents were dispatched on 06.06.2006 vide POD No.235647050 and 500663976 respectively through speed post and request for cancellation of the policies was received in April,2007 which is beyond free look period and, therefore, the policies could not be cancelled.

The representative of the Insurance Company informed the Forum that they had taken up the matter with the local post office and they will not be able to produce any proof as they have destroyed the details over 2 months and they have showed their helplessness in this regard. Further, the representative also informed the Forum that they have not been able to produce the acknowledgement records after six months since the policies were dispatched in the month of June,2006 and 22.10.2006 as the same were not available with them. Since the above complainants having requested to cancel the policies beyond the free look period, they are not liable to cancel the policies and will not be able to refund the premiums as requested.

After hearing both the parties and on examination of the documents submitted, it is observed that Shri Devender Kumar Kochar, Ms.Indira Kochar and Ms.Kamla Kumari Kochar had filed complaints with this Forum on 18.05.2007. The complaints have been consolidated by this Forum into a single complaint vide its Order dated 19.12.2007. All the three policyholders informed the Forum that there was a delay in receipt of the policy bond issued by the Insurance Company and within 3 days on receipt of the policy bonds, they requested the Insurance Company to cancel their policies during the free look period and refund the premiums. The Insurance Company have declined the refunds on the ground that the policies were sent in the month of June,2006 and October,2006 and the complainants namely Shri Devender Kumar Kochar, Ms.Indira Kochar and Ms.Kamla Kumari Kochar having exercised the option for cancellation of the policies beyond the free look period, they are unable to refund the premium. Shri Devender Kumar Kochar who represented himself and on behalf of other two complainants have raised certain vital issues asking the Insurance Company to furnish the date of dispatch of the policy bond, place of dispatch, whether by speed post or by courier, to furnish the dispatch register, to whom the policy bonds were dispatched ? The representative of the Insurance Company has not been able to produce these documents to this Forum. As such the contention of the Insurance Company that how the documents for all the three policies could be received on the same date is surprising to them. The Insurance Company has not been able to produce the dispatch register and mode of dispatch whether by courier or by speed post. The Insurance Company having failed to establish how the policy documents were sent, whether it was sent to the insured's office at Jodhpur or to the agent of the life assured, it is not clear or to the Life assured directly. Even the Insurance Company has not been able to prove the date of dispatch and acknowledgement of the receipt of the policy documents by the complaints.

I have no hesitation in passing the Award that the Insurance Company should cancel the policies within the free look period taking into consideration the receipt of the policies on 22.03.2007 by the three complaints and as per IRDA Regulation (Policyholder's protection Act), cancel the policies after deducting risk premium from the date of the commencement of the policies till 22.03.2007 since they had been on risk, expenses incurred towards medical examination, stamp duty and other deductions as permitted by the IRDA from the premium amount paid by the three complaints. After deducting the expenses permissible, the Insurance Company should pay the amount along with 8% interest from 21.04.2007 till the time the payment is made. No other expenses are to be paid to the complainants.

Miscellaneous

Delhi Ombudsman Centre

LI/Bajaj/277/07

Shri Atul Kumar Saxena

Vs

Bajaj Allianz Life Insurance Company Limited

Award Dated 20.05.2008

The complaint was heard at Jaipur on 12.05.2008. The complainant, Shri Atul Kumar Saxena, was present. The Insurance Company was represented by Shri Tarun Kumar Soni.

Shri Atul Kumar Saxena has lodged a complaint with this Forum on 18.12.2007 that he had taken policy No.765624 from Bajaj Allianz Life Insurance Company Limited for a sum assured of Rs.100,000/- for a premium of Rs.1984/- per year. He had paid 9 premium instalments @ Rs.1984/- and a total sum paid is Rs.17856/-. He found that the services provided by the Insurance Company were very poor and due to non satisfactory terms and conditions in the contract, he decided to surrender his policy in the month of April/May, 2007. Before surrendering the policy, he approached Company's Branch Office where he was informed that the surrender value will be as under:-

Total Premium paid @ Rs.1984 x 9

= Rs.17856.00

Less surrender value i.e. 1 year premium 1984x2	= Rs. 3968.00
	= <u>Rs.13888.00</u>
Surrender value 30% of 2 nd years and onwards	
Premium i.e. 1984x7x30%	= Rs.4166.00
Add: Reversionary Bonus value upto	
The end of year 2006	= Rs.2931.00
Add: Special Bonus value upto the end of year 2006	= <u>Rs.1000.00</u>
Total Surrender Value Arrived at	= <u>Rs.8097.00</u>

Although he was not satisfied by the formula given above, as one year's premium has already been deducted from the total sum paid then what is the justification of refunding only 30% amount of remaining premium. Besides it, he applied for surrendering the policy with a request to calculate the surrender value by including bonus for the financial year 2006-07 also.

He received a cheque from the Insurance Company on 13.05.2007 only for Rs.6763/-and no calculation sheet was provided with the cheque immediately he wrote a letter to the Company at their offices at Pune and Jaipur on 28.05.2007 and requested them to provide detailed calculation sheet for deciding the surrender value. When he received no reply from the company, he again gave them reminders and he was informed that his complaint was being examined and he will be informed the decision soon. However, he has not received any reply from the Insurance Company. He has requested that the Company may be asked to make the short payment provide calculation sheet along with details of clauses of insurance contract on which calculation is based.

At the time of hearing, Shri Atul Kumar Saxena reiterated the issued raised by him in his complaint letter dated 18.12.2007. He requested the Forum that he should be paid Rs.17819/- along with bonus for the financial year 2006-07 and interest on the delayed payment @ 17%. He further mentioned that as per the calculation sheet which was attached with the complaint form, how can there be difference between the calculation of Pune Office and Jaipur Office of the Insurance Company. The representative of the Insurance Company was unable to give any satisfactory reply. However, he produced the calculation sheet of their Pune Office which is as under:

Total No. of Premiums paid	4.50	
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Exact Duration	4.66	3
Exact Duration(nearest Duration)	4.50	30%
O/S Duration (Nearest Duration)	15.50	
Paid up value	22,500	
Paid up value + Bonus	26,431	
SV Factor	0.255884	
Surrender Value	6,763.00	
Guaranteed Surrender Value	4,166.00	
Max of the two(Surrender Value & Guaranteed Surrender Value)	6,763.00	

He also drew the attention to the factor sheet which was also submitted to the Forum.

After hearing both the parties and on examination of the documents submitted, it is observed that Shri Atul Kumar Saxena has lodged a complaint with this forum that he had taken a Safe Gain Economy policy No.765624 from the Bajaj Allianz Life Insurance Company Limited on 28.08.2002 and he had decided to surrender the policy. The Insurance Company had paid a surrender value of Rs.6763/- whereas as per his calculation, the total surrender value arrived at Rs.8097/-. The representative of the Insurance Company was unable to explain the difference between the two calculations as well as was unable to produce policy terms and conditions. In view of the Insurance Company having failed to provide the basis of settlement of the surrender value and non submission of policy bond, I pass the Award that Shri Atul Kumar Saxena be paid a sum of Rs.1334/- ($Rs.8097.00 - Rs.6763.00 = Rs.1334.00$) plus bonus of Rs.3931/- along with 8% interest from the date the payment of Rs.6763/- has been made.

Miscellaneous

Delhi Ombudsman Centre

LI/ING Vysya/42/08

In the matter of Smt. Shelly Gera

Vs

ING Vysya Life Insurance Company Limited

Order Dated 18.08.2008

The complaint was heard on 04.08.2008. The complainant, Smt. Shelly Gera, was represented by her father-in-law, Shri S.L.Gera. The Insurance Company was represented by Shri Arun Kumar P.T., Deputy Manager Legal.

Smt. Shelly Gera has lodged a complaint with this Forum on 27.06.2007 that she had taken a life insurance policy No.00197630 from ING Vysya Life Insurance Company Limited. She has been subjected to harassment by the Insurance Company to cover up their inefficiency and deficiency of service while servicing her above said policy. She had taken up the matter with the various authorities of the Insurance Company but failed to get proper response at all levels. She further mentioned that she had taken the above said policy in November, 2004 and have been paying the premium on time. In January, 2007 her husband was asked by his employer HCL, Noida to proceed to US on a project. She was also accompanying him, she spoke to the Insurance Company regarding the quarterly payment of her policy and was told that she could give advance post dated cheques for the period she was expected to be out of the country. Accordingly, she had sent 3 cheques for three quarters. One of them was encashed at the time of due date. After a few months, her father-in-law received a call from the Company that the post dated cheques were not acceptable to them. He requested the caller to return the cheque so that the payment may be made through a fresh cheque or cash on the due date. Thereafter neither the cheques were returned nor was any communication received by him. She kept sending e-mails from US but received no response. When this year, she happened to be in India for a short duration during February-March, 2008, she contacted them again over the phone. She came to know that her policy has been lapsed. But the Insurance Company did not give any reply about her post dated cheques given to them. Since she was in India for a short period and had a tight schedule, she decided to pay the premium along with revival fee as informed by the Company on 07.03.2008. She also applied for change of address and surname as a result of her marriage. The Insurance Company sent back the documents on 22.04.2008 saying that her policy stands lapsed for non payment of premium. On receipt of this letter, her father-in-law spoke to their customer service that confirmed receipt of the payment and assured that the revised document incorporating the changes would be dispatched in 2-3 days. Nothing

was received till 45 days when another letter came from them saying that they need medical certificate and an NRI questionnaire to be completed. She made a complaint in her letter that she has been harassed by the company as well as there has been deficiency in service. She requested the Forum that policy should be revived without any change that means the fee levied by them should be refunded to her.

At the time of hearing, the representative of the complainant informed the Forum that there has been deficiency in service by the Insurance Company and they should be paid compensation for harassment by them since none of the Officers of the Insurance Company attended to the grievance nor responded their innumerable letters and e-mails for which the complainant had to incur expenses. Shri S.L.Gera, the representative of the complainant, informed by the Forum that it is not competent to pass Award towards harassment and in case he wishes to withdraw the complaint from this Forum, he may do so. Shri Gera understood the position of the Forum and requested the forum that till date the Insurance Company has not confirmed that the policy stands reinstated.

The representative of the Insurance Company informed that the policy stands reinstated and the complainant would be receiving a communication to this effect.

Keeping in view the above submission of the representative of the Insurance Company, I pass the Order that as per the assurance given by the representative of the Company, the policy stands reinstated which is also confirmed by their letter dated 10.07.2008. Smt. Shelly Gera should deposit the premium with the Insurance Company as and when due and in case she finds any difficulty in the same, she should approach the Forum along with her grievance. No costs are being awarded for harassment.

Miscellaneous

Delhi Ombudsman Centre

LI/SBI Life/33/08

In the matter of Shri Satyanarayan Jaiswal

Vs

SBI Life Insurance Company Limited

Order Dated 19.08.2008

The complaint was heard on 11.08.2008 at Jaipur. The complainant, Shri Satyanarayan Jaiswal, was present accompanied by Shri Vijayendra Sahu. The Insurance Company was represented by Ms. Manju, Manager Claims.

Shri Satyanarayan Jaiswal has lodged a complaint with this Forum on 30.04.2008 that in the year 2006 his mother Smt.Suraj Devi took a SBI Life Insurance, Unit Plus Plan for Rs.5,00,000/-. After few days, in view of the savings and looking to the future, she decided to buy SBI Life Money back policy for Rs.2,00,000/-. She kept the policies alive. His mother in the first and second policy affixed her thumb impression since she was an illiterate. Insurance form is filled in by the agent. As the proposal form was in English, due to an oversight, she has not mentioned the first policy number taken by her with the SBI Life Insurance Company as a result of which the death claim has been withheld by the Insurance Company. When his mother took both the policies, she was not aware that her death would take place within 8 months of taking the policy. She would have rectified the mistake had she known the same. The Insurance Company is very well aware that his mother has taken two policies and they were taking the premium regularly from her. Even subsequent enquiry conducted by the company after the death of his mother, they were aware of the two policies and all documentation mentioned about both the policies.

He has requested the Forum that claim for the second policy may be paid. Further, the Insurance Company has also not paid the Accident Benefit under both the policies as his mother had died as a result of bursting of pressure cooker. She was first taken to Private Hospital then in the government hospital in the village and subsequently was referred to government hospital, Jaipur and she had died before reaching, Jaipur Hospital. Coming from the village, nobody informed him that FIR should be lodged with regard to the accident. He was not advised by five Panches of the village on this matter. Even after the request to the Insurance Company, they have not paid the accidental claim under both the policies. He requested the Forum that claims under the second policies and accidental claims under both the policies be paid to him.

The Insurance Company, vide their letter dated 11.06.2008, informed the Forum that Late Smt.Suraj Devi the deceased life assured had been covered under the unit plus -I policy No. 19002267404 for a cover of Rs. 5 lacs. with accident benefit of Rs. 5 lac. The date of proposal was 03.03.2006 and the date of commencement was 31.03.2006. Smt Suraj Devi was reported to have died on 10.11.2006. the cause of death was reported to be "Pressure Cooker blast and burns". The SBI Life Insurance Co. Ltd. Has settled the basic claim for Rs. 5 lac after recovery the unpaid mortality charges of Rs. 414/- thus an amount of Rs. 499586/-was paid to Sh. Satynaryan Jaiswal vide cheque No. 199021 date d19.07.2007. It is mandatory to prove an accidental claim by way of a FIR, Panchnama report, Final inquest report and a post mortem. In this case, these mandatory documents were not submitted by the complainant stating that they did not file an FIR and no postmortem was conducted. As the

accidental death could not be proved in the absence of above documents, the Insurance Company did not consider the accidental claim. It is necessary that any unnatural death should be reported to the police and a postmortem be conducted.

The station house officer of Nagal Rajavatan Police Station vide his endorsement dated 21.03.2007 clearly stated that "no FIR was lodged with the police in connection with the death of Smt. Suraj Devi". Further, late Smt. Suraj Devi the deceased life assured had also been covered under the "SBI life –Money back" of Insurance Policy No. 14006341008 for basic sum assured of Rs. 2 lac and accident benefit of Rs. 2 lac under the policy No. 14006341008. However, while applying for the money back policy vide her proposal dated 29.03.2006 to the Question No. 5.1, details of other Insurance policies held by her, were not mentioned. Had the previous insurance of Rs. 5 lac been disclosed in the proposal for further insurance cover of Rs. 2 lac, the company would not have given the further insurance cover of Rs. 2 lac to the deceased life assured because she was an illiterate widow and did not have sufficient income. The company would not grant huge insurance cover to the illiterate widows because the moral hazard will be very high in such cases. It is note worthy that the first proposal was dated 03.03.2006 (against which a policy No.19002267404 was issued) and the second proposal was dated 29.03.2006 (against which the disputed policy No.14006341008 was issued) barely after a gap of about three weeks. This is a clear plot to avoid the special medical reports and to suppress the aspect of moral hazard. It is further stated that while the first proposal was having the thump impression of the deceased life assured, the second proposal was carrying a signature. From this, it is easily conducted that there was a plot to suppress the material fact and obtain the policy fraudulently. Had the earlier proposal/policy for Rs.5,00,00/- been brought to the notice of the Company, the second proposal for Rs.2,00,000/- would not have been considered at all and the Company would have compared both the proposals and cancelled the insurance cover on the earlier policy(for Rs.5,00,000/-) also because of the mismatch of the signature/thump impression. These issues require a very thorough investigation which can be tried only in a civil court of appropriate jurisdiction.

Hence, it is requested that the complaint be kindly dismissed. The company further stated that Life Insurance contracts are contracts of Utmost Good Faith. Wherein the life to be assured/proposer is duty bound to disclose each and every information which is within his/her knowledge. Any suppression of material facts is fatal to the contract of insurance and vitiates the contracts and becomes void ab-initio. In the instant case, the suppression of previous insurance particulars is intentional and to obtain the insurance cover fraudulently which would not have been given by the Company if the fact was revealed. Thus there is a breach of the doctrine of utmost good faith. Hence the repudiation by the Insurance Company is just and legal. Hence, it is requested that the complaint be dismissed. The complainant is pleading ignorance that he was not aware of such requirements whereas it is clearly mentioned in the policy terms and conditions, Point No.20, under the Head Claims, it was clearly mentioned that the documents normally required to be submitted along with the intimation include police panchnama and FIR also wherever applicable. It is therefore requested that ignorance of law is no excuse. The Insurance Company further submitted that the repudiation of claim is legal, justified and made bonafide only on the basis of documentary evidence. In the light of the above facts, it is therefore, requested that the complaint of Shri Satyanarayan Jaiswal be dismissed.

At the time of hearing, Shri Satyanarayan Jaiswal informed the Forum that his mother had taken two policies from SBI Life Insurance Company Limited. The first policy was issued commencing from 31.03.2006 for Rs.5,00,000/- with Accident Benefit and the second policy was money back policy issued for Rs.2,00,000/- commencing from 26.04.2006 along with Accident Benefit. The Insurance Company has paid Rs.4,99,586/- against the policy of Rs.5,00,000/- and had not paid the accident benefit claim on this policy.

With regard to the money back policy, the Insurance Company has neither paid the sum assured nor the accident benefit. He informed the Forum that his mother was staying in the village and as result of bursting of pressure cooker, she was taken to private hospital then to medical dispensary of the village where she was referred to government hospital, Jaipur. But she had died before reaching the hospital at Jaipur. He was not aware that there has to be FIR and post mortem report to get the insurance claim. On enquiry by this Forum how his mother was able to pay the insurance premiums, he informed that his mother had rented out her property for which she got an annual income of Rs.80000/- and she was in a position to bear the insurance premiums as she thought that it was a good method of savings with growth. Further on enquiry by the Forum whether the agent for both the policies is same, the representative of the Insurance Company as well as Shri Satyanarayan Jaiswal confirmed that the agent of both the policies was the same. ON further enquiry that the proposal form for Unit policy bore her thump impression and in the money back policy, there was signature of her mother, the complainant, Shri Jaiswal, had no answer. However, he requested the Forum that the claim for sum assured along with benefits for the money back policies be paid along with accident benefit under both the policies.

The representative of the Insurance Company informed the Forum that Smt. Suraj Devi had submitted a proposal for Endowment plan for Rs.5,00,000/- sum assured which was issued along with accident benefit. The sum assured claim was paid for Rs.4,99,586/- after deducting Rs.414/- being unpaid mortality charges. With regard to the money back policy, there has been a concealment of fact under question No.5.1 of the policy : Whether other insurance policies held by her : She had not disclosed that she had already taken a Unit Plus policy for Rs.5,00,000/- with Accident benefit.

Had she mentioned the same in the proposal form, they would not accept the proposal form for Rs.2,00,000/- taking into consideration that she was an illiterate and did not have sufficient income. Further, they would have verified the proposal form and they would have noticed the discrepancy that in the first proposal form, she had put her thump impression while in the second proposal, she had signed. The moral hazard would have been considered to be unacceptable and probably they would have cancelled the earlier policy for Rs.5,00,000/-issued to her. Based on the concealment of material facts, they have decided to repudiate the claim. On enquiry by the Forum that illiterate human being's proposal forms are filled in by the agent and the agent is same under both the policies, what action, the Company had taken against the agent? The representative informed the Forum that no action has been

taken against the agent. Further the representative of the Insurance Company informed that as per Clause 20 of the Unit Plus policy, police panchnama, FIR and last attended physician's report are required and in the case of money back policy, all the above said documents are required to pay the accident claim. But the nominee under the policy has failed to produce the copy of the police report, post mortem report and FIR required to settle the accidental claim under both the policies, therefore they have rightly repudiated the claims for non compliance of the same. The representative of the Insurance Company requested to dismiss the complaint.

After hearing both the parties and on examination of the documents submitted, it is observed that Smt.Suraj Devi has taken a Unit Plus policy for Rs.5,00,000/- and a money back policy for Rs.2,00,000/- from SBI Life Insurance Company within a period of one month. She had died as a result of bursting of pressure cooker after 8 months of taking the policy. The Insurance Company has paid a sum of Rs.4,99,586/- towards Unit Plus policy and repudiated their liability under money back policy on account of concealment of material facts.

The accident benefit claims under both the policies have also been repudiated by the Insurance Company on the grounds that FIR and Post mortem report have not been submitted by the nominee under the policies which is a prerequisite under Condition NO.20 of the policy. With regard to the money back policy, death claim of late Smt. Suraj Devi has not been paid to the nominee on account of non disclosure of material information by late Smt. Suraj Devi while filling up the proposal form as she had not disclosed the earlier policy taken by her for Rs.5,00,000/-. There has been concealment of material fact and even in the proposal form for Unit Plus policy, she had put her thumb impression whereas under money back policy, she had put her signature. Since Smt. Suraj Devi was illiterate, her agent had filled in the proposal form who was very well aware that Smt.Suraj Devi had taken a policy of Rs.5,00,000/- sum assured and she did not enough resources to buy one more policy. Therefore, he deliberately had not disclosed the policy number whilst filling up the proposal form for money back policy. Keeping in view the above facts, I have no hesitation in agreeing with the Insurance Company that there has been a concealment of material fact in the proposal form of money back policy No.14006341008 where the previous policy No.19002267404 taken by her had not been mentioned and, therefore, the nominee under the policies, is not entitled for sum assured under money back policy No.14006341008 and accidental claims under both the policies as he was not able to produce the requisite documents like FIR and Post Mortem report to establish that the death had taken place as a result of accident, that is, bursting of pressure cooker. Since Shri Satyanarayan Jaiswal, nominee under the policies, has not been able to comply the requirements as per Clause 20 of the policies, the Insurance Company has rightly repudiated the Accident claims under Policy No.19002267404 and Policy No.14006341008.

Delhi Ombudsman Centre

Case No. LI/Birla Sunlife/47/08

In the matter of Shri Abhay Sood

Vs

Birla Sun Life Insurance Company Limited

Award Dated 15.09.2008

The complaint was heard on 08.09.2008. The complainant, Shri Abhay Sood, was present. The Insurance Company was represented by Ms. Madhulika Shukla, Assistant Manager.

Shri Abhay Sood has lodged a complaint with this forum on 06.07.2008 that he had taken a Birla Sunlife Gold Plus Plan Insurance Policy No.001208576. He was approached by the agent of the Insurance Company. He handed over a cheque No.114151 dated 15.09.2007 for Rs.1,00,000/- and the amount was debited to his account on 19.09.2007. He received policy No.001208576 dated 13.10.2007 on 17.10.2007. He approached the customer care a number of times and requested them that the date of policy issue has to be on the date the proceeds against his cheque credited to Birla Sun Life and not after a month. Further, it was advised that as the 'Initial Units' against this investment is based upon NAV prevailing on the day of issue of policy, he has to incur a heavy financial loss. There had been a huge difference of NAV on 20.09.2007 and 13.10.2007. The reason given by the Customer Care Executive was that the policy was to be issued after the receipt of the KYC proof and as there had been delay from his side for submission of KYC proof, Birla Sun Life not responsible for any loss. He made a submission that it was the responsibility of the Insurance Company to collect the KYC proof at the time of collecting the application form. No one from Birla Sun Life asked for the KYC proof at the time of getting the cheque/forms etc. The cheque was to be deposited once the Insurance Company had all the documents in place and only after thorough scrutiny and complete sets of documents. If there had been any flaw of further documents required, the cheque was to be deposited after having every piece of document in order. Further, after getting the request from the Insurance Company, KYC proof was resent on 26.09.2007, they why the policy issued on 13.10.2007. There had been no response either of his mails or his follow up calls to their helpline or sending mails. He requested the Forum that the commencement date of the policy may be from 19.09.2007 and not from 13.10.2007.

At the time of hearing, Shri Abhay Sood informed the forum that he was approached by the representative of the Insurance Company for an insurance policy and he had accordingly submitted the proposal form on 15.09.2007. The Company had asked him for medical examination and the report was submitted on 22.09.2007. He had earlier submitted the KYC report forms however, the company again asked for the same which was sent to them. Since his cheque dated 15.09.2007 was encashed by the

Company on 19.09.2007, the Company should have issued the policy to him commencing from 20.09.2007 but they have issued the policy from 13.10.2007. Shri Sood was explained by this Forum that as per the Insurance Act 1938 under Section 64 VB – each proposal is to be accompanied by provisional premium payable for issuance of the policy. As such, it cannot be presumed that the proposal is accepted on the basis of the submission of the proposal form and the premium cheque having being encashed.

Further, the Company desired certain documentation and the same are examined and in this case, the Company had asked him to be medically examined so as to ascertain whether to accept the risk on standard terms or to treat the risk as sub-standard and accept the same by loading the premium or reject the proposal. Since his medical was performed on 22.09.2007 and the Insurance Company accepted the proposal after the same met their requirements.

The representative of the Insurance Company informed the Forum that since Shri Abhay Sood had not submitted the KYC report where they were required to ascertain the income of Shri Sood whether the sum insured for which he had applied for, eligible or not before underwriting the case and only after receipt of the income details, they had issued the policy and there has not been any delay. They have, therefore, rightly issued the policy commencing from 13.10.2007.

After hearing both the parties and on examination of the documents submitted, it is observed that Shri Abhay Sood had submitted a proposal on 15.09.2007 and was medically examined on 22.09.2007. The income proof was submitted on 12.10.2007 and the Company had issued the policy from 13.10.2007. I am in agreement with the Insurance Company as far as payment of premium is concerned since as per Section 64 VB of the Insurance Act 1938, the same is required to be furnished along with proposal form. Further, various under writing consideration are taken into consideration once the proposal has been received. Since the Insurance Company decided to have a medical examination of Shri Sood and the report of the same being submitted on 22.09.2007, it appears that there was no adverse feature. The company accepted the proposal as a standard proposal. I further find that the details of income and KYC details should have been collected by the agent at the time of proposal. Further, Shri Abhay Sood has mentioned that he had resubmitted the KYC details later on 12.10.2007. I find that there has been deficiency in service as far as Insurance Company is concerned since they should have asked for KYC details when they had asked for the medical reports and it appears that they have not done so. I am, therefore, of the opinion that commencement of the policy should be dated 23.09.2007 and units be allotted to Shri Abhay Sood accordingly.

Miscellaneous

Delhi Ombudsman Centre

LI/Birla Sunlife/54/08

In the matter of Shri Ramit Mehra

Vs

Birla Sun Life Insurance Company Limited

Award Dated 29.09.2008

The complaint was heard on 22.09.2008. The complainant, Shri Ramit Mehra, was represented by his mother Smt.Seema Mehra. The Insurance Company was represented by Shri Ajay Kumar, Manager.

Shri Ramit Mehra has lodged a complaint with this Forum on 15.07.2008 that he had taken policy No.1163565 from Birla Sun Life Insurance Company Limited. When he took the policy, he was given to understand by the advisor of the Insurance Company that (I) Policy is unit linked and has three years lock in period, with principal guaranteed and returns tax free. (II) After paying the 1st year premium the same can be increased by 25% or decreased to minimum amount of Rs.10000/- in the following years, as desired. There is no compulsion of keeping in the same premium as paid in the year 1st year. (III) it is a low risk policy with marginal returns. He had paid Rs.1,00,000/- vide cheque dated 07.08.2007 and had completed the formalities and he was given to understand that the above three cited conditions applied to his dream policy plan. He is an NRI working as an electrical engineer. Shri Chander Mohan Pandit had been well informed that he would be leaving India and he should send the policy at his permanent residence, at the earliest. However, he did not receive the original policy at his permanent address for over a month and half. On receiving a call from his employer, he came to Delhi. He contacted Shri Pandit in person and requested the needful delivery of his policy before his departure. He never received the original policy. Duplicate copy of the policy was handed over at his Delhi residence in his absence. On his return back on 14.04.2008, he saw his policy and on going through the contents, it became evident that the terms and conditions promised to him were not the same. He immediately contacted, Shri Pandit telephonically and apprised him of the same. He has since been evading him and does not respond to his phones. He then took the matter with the Customer Care where he got no response.

Smt. Priyanka Malu at Delhi Office was contacted who sent Shri Mathur to meet him personally and took a written complaint which was handed over to him. However, there has been no action taken and he has not received any intimation in writing from the company. He then went to Delhi Office where he was given to understand that the policy conditions of "Dream Plan" were told to him at the time of its purchase and not of Gold Plan. Ever since he was pursuing this matter with Shri Uday Singh and Smt.Priyanka Malu at Delhi Office of the Company and they has assured him that the matter has been forwarded and is being taken up at the highest level of the company. Since there has not been any

response from the Company and he having not consented for Dream Policy, he has referred the complaint to this Forum with a request to cancel the policy and refund the premium he had paid.

At the time of hearing, Shri Ramit Mehra authorized his mother Smt. Seema Mehra to represent his case who informed the Forum that her son and she were approached by HDFC Bank to take insurance policy which guaranteed the principal amount as well as tax free return and after paying the first year premium, the same can be increased by 25% or decreased to minimum amount of Rs.10,000/- in the following years as desired. It was a low risk policy with marginal returns. Shri Chander Mohan Pandit was asked to deliver the policy at his permanent address mentioned in the proposal form before her son left for his overseas assignment. The policy was not received before her son left India. Before leaving, he had contacted Shri Pandit that he had not received the policy who arranged to send a Duplicate policy which was also not sent at his permanent address mentioned in the proposal form but was left at the local address at Delhi. His son returned to India in April, 2008 for medical reasons and he immediately contacted the Insurance Company's representatives that there was mis-selling of the policy. He was assured that the matter was taken up with the highest authorities of the company since he wanted to reduce the premium during 2nd year of the policy as per the assurance given by Shri Pandit that that the minimum premium would be Rs.10000/-. He did not receive any response from the company. He felt totally cheated and requested the Insurance Company to give the policy on the terms and conditions as assured at the time of negotiating the proposal. He had given a letter also to the representative of the Company, Shri Mathur when he visited him. He had also written a letter to Shri Udai Vir Singh, Area Head of the Company on 13.06.2008 which was returned undelivered wherein it has been mentioned that no such person is there. Further, she drew the attention of the Forum to a letter written by Smt. Priyanka Malu to Shri Udai Vir Singh dated 10.06.2008 that she has spoken to client to convince about the features of the plan but he was not interested in the product whereas he wanted that his funds to be transferred to Gold Plus Plan as he said this was the product sold to him. She further mentioned that the complainant was not interested in any other plan because the representative was neither willing to talk to her nor was able to offer a policy on the terms assured to him at the time of taking the policy namely where the Policy is unit linked and has three years lock in period, with principal guaranteed and returns tax free. After paying the 1st year premium the same can be increased by 25% or decreased to minimum amount of Rs.10000/- in the following years, as desired. There is no compulsion of keeping in the same premium as paid in the year 1st year. And it is a low risk policy with marginal returns. She requested the Forum that the premium he had paid under the above said policy be refunded to him along with interest.

The representative of the Insurance Company informed the Forum that since Shri Ramit Mehra had applied for a dream policy which is evident from the proposal form filled in by him as well as Declaration submitted wherein it is clearly mentioned that he was aware as regards the features and terms and conditions of the policy and having agreed to the terms and conditions, he had signed the application form. He had further not exercised the option of cancellation of the policy during the free look period. The representative of Shri Ramit Mehra immediately mentioned that the Insurance Company had never given them the opportunity of free look period. The Forum informed that free look

period means that on receipt of the policy by the life assured, he has 15 days time after perusal of the policy whether he would like to continue the policy or not and if not, could return the policy to the Insurance Company for cancellation and refund of premium. The representative of the complainant informed the forum that the various representatives of the Company such as Shri Uday Vir Singh, Smt. Priyanka Malu and Shri Mathur had kept on assuring him that the matter is being looked after at highest level and suddenly they have rejected her request vide their letter dated 16.07.2008 on the grounds that they have not exercised the option of cancellation of the policy during the free look period, as such they are unable to refund the premium and the policy is under lapsed condition. The representative of the complainant informed the Forum that she had sent a letter dated 23.09.2008 to this Forum that during the hearing on 22.09.2008, the insurance company discussed about the free look period of the policy. The Insurance Company admits that he wanted a conservative policy. She further mentions that there is no such policy exists which is a unit linked policy and has three years lock in period, with principal guaranteed and returns tax free. (II) After paying the 1st year premium the same can be increased by 25% or decreased to minimum amount of Rs.10000/- in the following years, as desired. There is no compulsion of keeping in the same premium as paid in the year 1st year. (III) It is a low risk policy with marginal returns. The representative of the Insurance Company informed that the matching policy was the Gold plus Plan however, the principal was not guaranteed and there is no life covers as per their requirements. The representative of the complainant stated that it is quite evident that their agent cooked up a tailor made policy on the spot keeping in view his requirements. She did not want to be a case of frying pan, in to the fire.

After hearing both the parties and on examination of the documents submitted, it is observed that that Shri Ramit Mehra had applied for a Dream Plan policy of Birla Sun Life Insurance Company Limited with the condition that Policy is unit linked and has three years lock in period, with principal guaranteed and returns tax free. (II) After paying the 1st year premium the same can be increased by 25% or decreased to minimum amount of Rs.10000/- in the following years, as desired. There is no compulsion of keeping in the same premium as paid in the year 1st year. (III) It is a low risk policy with marginal returns. On receipt of the policy after his return from overseas on 14.04.2008, on perusal of the policy, he found that the terms and conditions of the policy did not meet his requirements and there has been a mis-selling by the agent of the Insurance Company. The policy was also not delivered at his permanent address as mentioned in the proposal form. A duplicate policy was issued to him. Shri Mehra was not satisfied with the services of the Insurance Company and therefore, he demanded the refund of his premium. The Insurance Company has refused to refund the premium based on the declaration that Shri Ramit Mehra was clearly explained the terms and conditions of the policy as well as the proposal form was printed for Dream Policy and not for Gold Policy. Further, he has not exercised the option of cancellation of the policy during the free look period. It is observed that the proposal form of Shri Ramit Mehra clearly mentions the address of his farm house and the policy has not been delivered there nor the Insurance Company has been able to establish how the duplicate policy was issued and when the same was delivered at Delhi which was not in conformity with the address mentioned in the proposal form since the same was received by Shri Mehra only after his return to India

on 14.04.2008. As per the Passport of Shri Mehra, he had gone out of India on 28.12.2007 and returned on 14.04.2008. The Insurance Company has not been able to establish the date of delivery of the original policy nor the duplicate policy. Shri Mehra had contacted the Insurance Company on his return to India immediately after seeing the policy and he has given a letter to the Insurance Company dated 05.05.2008. Even a letter was mailed through registry to Shri Uday Vir Singh dated 13.06.2008 was returned undelivered. As per the above circumstances, it is evident that immediately on return from overseas Shri Mehra received the policy, he was in constant touch with the Company who have not clearly pointed out that they did not have a policy which met the requirements mentioned by Shri Mehra in his complaint letter dated 05.05.2008 which clearly establishes deficiency in service on the part of the Insurance Company.

There being no evidence of delivery of the policy before Shri Mehra left for overseas as well as the Company only advising that Shri Mehra not having exercised the option of cancellation of the policy within a free look period, I therefore, pass the Award that Shri Ramit Mehra's policy be considered to be cancelled during the free look period and the date to be reckoned as 05.05.2008 since the Insurance Company was at risk till 05.05.2008 and had there been any eventuality then they would have been on risk till that date. The Company is entitled to such charges as per IRDA's regulations for "Free Look" period and the same be deducted from the premium and the balance amount be refunded to the complainant.

GUWAHATI

BEFORE THE OFFICE OF THE INSURANCE OMBUDSMAN

AT GUWAHATI CENTRE

Complaint No. 21/005/003/L/07-08/GHY

Dr. Saurabh Choudhury Complainant/Insured

- Vs -

HDFC Standard Life Insurance Co. Ltd. Opposite Party/Insurer

Award date = 14.07.2008

Dr. Saurabh Choudhury procured a HDFC Home Loan Protection Plan (Pol. No. 11453673), as advised and under supervision of HDFC Bank, Ambari Guwahati on 31.07.2008. The premium amounting to Rs.33,007/- against his Home Loan Linked Insurance for the outstanding amount of Rs.14,14,302/-, was paid by HDFC Bank cheque on the date of submission of the proposal on 31.07.2007. The HDFC Standard Life Insurance Co. Ltd. has issued the policy showing the date of commencement on 17.12.2007. It was alleged that there was a gap of four and half months between payment of premium and the date of commencement of the policy. By that time, his liabilities on account of Home Loan has been reduced and even then the HDFC SLIC, advised him to pay premium for a period for which he was not insured. The representation lodged for rectification of the defects has also not been favourably considered.

Being aggrieved the Complainant approached this forum.

During the course of hearing, the Complainant stated that to ensure security of his housing loan taken from the HDFC Bank, he had submitted a proposal and premium Cheque No.609389 dated 06.07.2007 before the HDFC Standard Life Insurance Co. Ltd. in July, 2007 for an insurance under HDFC Home Loan Protection Plan on being advised by HDFC SLIC calculating the same on the outstanding amount of loan. The representative of the Insurer mentioned that they have received the proposal and cheque for premium from HDFC Corporation on 12.12.2007 and not directly from Mr. Choudhury. According to the representative of the Insurer, function of the Insurance Company starts only when they receive the proposal and premium. He also clarified that HDFC Corporation and HDFC SLIC are two different Organisations having different identities and the Insurance Company has got no business to see when they procured the proposal from the party.

On examination of the papers submitted and after hearing both the parties, it is observed that the Insurer received the proposal and the cheque from the HDFC Bank on 12.12.2007 and the cheque was encashed on 14.12.2007 and accordingly the policy was issued covering the risks from 17.12.2007. A copy of the proposal form containing the declaration of the Life Assured under Sec.-3 of the policy shows that the Complainant executed the same on 10.12.2007 for the above policy. All those prove that the Insurer caused no delay in issuing the policy on receipt of the premium and the proposal on 12.12.2007 and I find no lapse on the part of the Insurer in taking action on receipt of the premium amount and proposal. Thus,

finding no justified ground to interfere with the decision of the Insurer. Therefore, the complaint is treated as closed.

BEFORE THE OFFICE OF THE INSURANCE OMBUDSMAN

AT GUWAHATI CENTRE

Complaint No. 22/003/146/L/07-08/GHY

Mr. Samir Kanti Das

..... Complainant/Insured

- Vs -

The Tata AIG Life Insurance Co. Ltd.

..... Opposite Party/Insurer

Award date = 28.07.2008

Facts :- The Complainant purchased a Policy No. C-201222292 for Sum Assured of Rs.50,000/- with the date of commencement on 28.09.2003 paying Half Yearly Premium of Rs. 2002.00. The Complainant defaulted payment of premium due on 28.09.2005 which was deposited on 06.01.2006 alongwith fine and health certificate. The premium due thereafter on 28.03.2006 was paid on 28.04.2006 but on 15.09.2006, the Insurer returned the aforesaid two instalments paid in respect of premiums on the ground for non reinstatement of the policy.

Opposite party's view :- The Insurer contended that the dispute relates to the premiums due on 28.09.2005 and 28.03.2006 and non-settlement of that dispute further prevented the Complainant in depositing subsequent premiums. The Insured deposited the premium on 06.01.2006 which was due on 28.09.2005 alongwith Non Standard Health Certificate. The next premium fell due on 28.03.2006 which was paid in time. The Insurer returned both the premiums amounting to Rs.4081/- to the Complainant in September, 2006 due to non submission of Health Certificate in Simplified Health Certificate. The Complainant again returned the said amount of Rs.4081/- to the Insurer and the said amount has been kept by the Insurer since then. The Insurer vide their letter dated 19.11.2007 requested the Complainant for depositing an amount of Rs.11408/- for regularization of the policy.

Hearing :- During the course of hearing, the representative of Insurer stated that an amount of Rs.4081/- now lying with the Insurer being the premium paid for 28.09.2005 and 28.03.2006 was not excluded. There is a mistake on the part of the Insurer in calculating the said amount to be deposited by the Insured for regularization of the policy. The representative of the Insurer also mentioned that an amount of Rs.10,047/- is to be paid including the premium for March, 2008 and on submission of required medical certificate, the policy can be restored.

Reasons & Decisions :- Since the Complainant had paid the premiums due on 28.09.2005 and 28.03.2006 with due interest, the Insurer should have regularized the matter in time, if required by obtaining the Health Certificate in proper form but instead of doing the same they remained silent and only before few days of next premium due, the amount deposited was returned. The Insurer should have taken steps to procure the required report when the Complainant is found to be sincere in continuing his policy. Therefore, the Insurer is hereby directed to arrange medical examination of the Insured and obtain the report in required form. The Complainant is also directed to co-operate with the Insurer accordingly. The Complainant shall be given an opportunity deposit all the premiums already due, without any interest, provided he could pay the premiums (due on 28.09.2006, 28.03.2007, 28.09.2007 & 28.03.2008) within 20 days from the date of order and in default to pay the same within the specified time, usual interest shall be charged. Thereafter, the complaint is treated as closed.

KOLKATA

Kolkata Ombudsman Centre

Case No. 01/21/009/L/04/08-09.

Shri Pawan Kumar Gupta

Vs

Bajaj Allianz Life Insurance Co. Ltd

Order Dated : 29.08.2008

FACTS AND SUBMISSIONS:

This is a petition filed by the complainant against denial of Critical Illness Claim.

The complainant, Shri P.K. Gupta, purchased an Invest Gain Economy Policy No. 0008577360 from Bajaj Allianz Life Insurance Co. Ltd with DOC 02.05.2005 for SA Rs.2,00,000/- under 15 years Term and half- yearly mode of premium, with a Critical Illness Rider of Rs.1,00,000/-. He suffered Brain Haemorrhage (extra dural Haematoma) from a road traffic accident with head injury and fractured Left Parietal Bone on 30.05.2007. He was operated for removal of extra dural Haematoma and was hospitalized from 31.05.2007 to 11.06.2007 at Apollo Trauma Centre, Patna. The CT Scan report findings was suggestive of Left Temporoparietal extra dural Haematoma. He appealed to the Insurer for Critical Illness benefit available under his policy but the claim was repudiated and the repudiation upheld by their higher authorities. Being aggrieved, he approached this forum and submitted P Forms giving his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

They have not yet responded to our request for SCN. However, their letter of repudiation to the Life Assured (LA) gave reason “as per policy condition Cerebral injury resulting from trauma is excluded under Critical Illness.” So the claim was non-admissible as per their views.

HEARING:

In response to a notice of hearing, the complainant attended and as the Insurance Company requested for more time this case was adjourned to 29/08/08. On that day, both the parties attended. The representative of the insurance company has stated that LA was hospitalized due to accident and CT SCAN report suggested Temporoparietal extra dural Haematoma because of which he was operated. According to the representative of the Insurance Company, any hospitalization and operation due to an accident is not covered under Critical Illness in this policy. The “critical illness cover” is given for ailments like 1st Heart Attack, CABG, Stroke, Cancer, Kidney Failure, major organ transplantation and some other diseases that occurred naturally. Therefore, he claimed that the insurance company was correct in their decision of repudiation. On the other hand, the complainant has given letter dated 29/08/08 in which he has narrated the chronological occurrence of events and stated that he was operated due to an accident. He was informed that the policy document does not cover any operation due to an accident.

DECISION:

From the above, it is clear that the policy taken by the policyholder does not cover any operation due to an accident. The critical illness cover mentioned in the policy document is only concerned with ailments and disease that occurred naturally in a human body and does not pertain to an operation due to an accident.

Keeping in view the above, we are unable to agree with the arguments of the complainant. We hold that that the Insurance Company was correct in taking the decision of repudiation and therefore, the complainant does not get any relief. The petition is therefore dismissed.

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LUCKNOW

Lucknow Ombudsman Centre

Case No.L-22/21/001/07-08

Smt.Basmati Devi

Vs

LIC of India.

Award Dated : 8.7.2008

Complaint filed against LIC of India by Smt.Basmati Devi in respect of delay in payment of double accident benefit(DAB) on the life of her husband Shri.Srikant Yadav.

Facts :Shri.Srikant Yadav, aged about 27 years, by occupation a driver, took out two policies from Life Insurance Corporation of India for S.A. of Rs.50,000/- & Rs.25,000/- each vide proposal dated 28.12.91 & 15.10.82 respectively. The insured was allegedly murdered and died on 12.1.2005. The respondent was not releasing the amount of DAB vide their letter on the ground that the deceased life assured was murdered.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on contention that as per FIR lodged on 30.12.04 at Thana Motihari the case is registered under sec.364(A) IPC. The LA who was driver in sugar factory, Pratappur, Deoria, UP was first abducted along with the president of the factory and was murdered by some unknown assailants. The case is pending in the session's court.

Decision : Taking into account the Supreme Courts observation "No doubt as it is understood in the common parlance is a felonious act where death is caused with intent and the perpetrators of that act normally having a motive against the victim for such killing. But there are also instances where murder can be accident on a given set of facts. The difference between a murder which is not an accident and a murder which is an accident depends on the proximity of the cause of such murder. If the dominant intention of the act of felony is to kill any particular person then such killing is not an accidental murder but is a murder simplicitor, while if the cause of murder or act of murder was originally not intended and the same was caused in furtherance of any other felonious act then such murder is an accidental murder." it was held that the president of the sugar factory was the main object of the felony and the murder of life assured that was caused in the said process of kidnapping him was only incidental to the act of kidnapping of the president. The death of the LA was possibly caused accidentally in the process of kidnapping of some other person. Giving the benefit of doubt as to the circumstances of the death, the repudiation of the claim was, therefore, set aside and the complainant nominee awarded the amount of accident benefit available under the policy.

Lucknow Ombudsman Centre

Case No.L-105/21/001/08-09

Shri.Manoj Kumar

Vs

LIC of India.

Award Dated : 22.7.2008

Complaint filed against LIC of India by Shri.Manoj Kumar in respect of critical rider benefit rejected by the Co.

Facts : Shri.Manoj Kumar, aged about 36 years, by occupation a self employed grain merchant, took out Jeevan Anurag policy with CIR benefit from Life Insurance Corporation of India for a S.A. of Rs.5,00,000/- vide proposal dated 28.5.2005. The insured diagnosed as diabetic and underwent Coronary Angiography followed by Coronary Angioplasty on 27.3.07 at Apollo Hospital, Delhi. The respondent repudiated the claim vide their letter dated 14.6.07 on the ground that he was a known case of diabetes but he did not disclose the same in the proposal form and also that under critical rider benefit claim, no benefit is to be given for non-surgical techniques like balloon angioplasty.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents. Thereafter the complainant approached this forum giving rise this complaint.

Findings : On careful examination of all the documents the forum found that under Jeevan Anurag policy with CIR benefit an amount equal to term assurance rider sum assured will be payable on diagnosis of the critical illness but with certain exclusions which includes Balloon Angioplasty as mentioned in Para 9 of the endorsement enclosed with the policy document.

Decision : Since the Balloon Angioplasty is specifically excluded as per policy endorsement, the repudiation of the claim under the policy was therefore, held to be in order.

Lucknow Ombudsman Centre

Case No.L-683/21/00/07-08

Ms.Priyanka Singh

Vs

Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 12.12.07

Complaint filed against Life insurance Corporation by Shri.Durvijay Singh in respect of health care claim repudiated by the Co.

Facts : Ms.Priyanka Singh, by occupation a management student, resident of Varanasi took out a Health Care Plan from Bajaj Allianz Life Insurance Co. Ltd. for a S.A. of Rs.3,00,000/- for a period of 3 years vide proposal dated 31.01.2006. the proposal was accepted and policy was issued on 13.02.2006.The insured was admitted to a hospital of Varanasi from 2.5.06 to 9.6.06 for the treatment of hypothyroidismwith acute Bronchitis. The assured presented bill towards a total expense of Rs. 3,03,813/- inclusive of room chargesof Rs.1,67,500/- within just 2 months and 15 days of taking policy. The respondent conducted its own in-house investigation and thereafter repudiated the claim vide letter dated 25.09.2006 on the grounds of grossly inflated medical bills presented for the purpose of seeking reimbursement of medical expenses incurred on treatment under Health Care Plan of the insurer.

Aggrieved with the decision of the respondent the complainant approached the Grievance Redressal Committee but this committee also concurred with the decision of respondents.Thereafter the complainant approached this forum giving rise this complaint.

Findings : On careful examination of all the documents the forum found that the claim was rejected by the respondent on the following counts-

Hospital records clearly mentioned the history of hypothyroidism but denied by the complainant.

Bill amount furnished by her were grossly inflated compared to normal room rent and ICU charges at the concerned hospital.

The forum analyzed tariff of the hospital and observed that the bills had been grossly inflated. The billing rate of room rent was also inflated and was not matching with the tariff of the hospital concerned. Secondly treatment chart seemed to be fabricated on several days. All this proved that the insured deliberately presented inflated bills to take maximum and unfair advantage at the hands of insurer.

Decision : The forum in view of above facts did not interfere with the decision of repudiating claim by the insurer. The complaint was disposed off as above.

Lucknow Ombudsman Centre

Case No.L-529/21/001/07-08

Shri.Abhay Kumar Srivastava

Vs

Bajaj Allianz Life Insurance Co.

Award Dated : 28.5.2008

Complaint filed against Bajaj Allianz Life Insurance Co. by Shri.Abhay Kumar Srivastava in respect of alleged unauthorized switch over under his policy by the Co.

Facts : Shri.Abhay Kumar Srivastava, took out a unit linked policy with equity gain fund option from Bajaj Allianz Life Insurance Co. vide proposal dated 14.12.2005. His fund was switched over from equity fund

to cash(liquid fund) on 8.6.06 without his knowledge. The respondent claimed that the switch over was effected only on the request of LA himself and they are also in possession of switch over request. LA vehemently denied giving any request for such a switch over. He explained that the alleged switch over form is not signed by him as he always signs in Hindi whereas the form is signed in English. But when the respondent did not accede to the request of the policy holder, the complainant approached this forum giving rise this complaint. .

Findings : On careful examination of all the documents the forum found that the switch over form is signed in English but all the previous forms are signed in Hindi as contended by the complainant. Moreover on careful examination and going through the case file there was a marked difference in signatures of LA in previous forms and switch over form. It was the duty of the dealing person to match the signatures then execute the request and alter the nature of the fund.

Decision : Held that the signatures on the switch over form is not that of the LA and that he had not opted for any change in the nature of fund, the switch over of the fund was therefore set aside and the respondent directed to change the nature of fund and restore to the original equity fund with retrospective effect i.e. from 8.6.2006.

Lucknow Ombudsman Centre

Case No.L-178/21/001/08-09

Shri.Shishir Malhotra

Vs

Kotak Mahindra Old Mutual Life Insurance Co. Ltd..

Award Dated : 12.8.2008

Complaint filed against Kotak Mahindra Old Mutual Life Insurance Co.Ltd by Shri.Shishir Malhotra in respect of alleged misappropriation of his funds and insufficient, unprofessional and substandard services rendered to him by the Co.

Facts : Shri.Shishir Malhotra, aged 46 years, by occupation a mobile shop owner, issued two crossed cheques amounting to Rs.50,000/- & Rs.1,00,000/- in favour of the respondent Co. against issue of two policies for a S.A. of Rs.50,000/- & Rs.1,00,000/- respectively. The insured had claimed that he had opted for KSIP Plan while the respondent had issued Kotak Easy Growth Plan. The insured opted for cancellation of both the policies which the respondent accepted and refunded the premium amount as desired by the Complainant.

Thereafter the complainant approached this forum leveling above charges against the respondent giving rise to this complaint.

Findings : On careful examination of all the documents the forum found that the name of the plan is clearly written on the first page of the proposal form which is duly signed by the LA and he had not denied the fact that he had signed on the proposal. Thereafter both the policies were cancelled on the specific request of the insured and the premium amount refunded to him.

Decision : Since the plan of policies issued were the same as mentioned by the insured and the entire amount deposited by the life assured has already been refunded by the respondent, the action taken by the insurer was therefore, held to be in order.

MUMBAI

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI - 046 of 2008-2009

Award No.IO/MUM/A/ 43 /2008-2009

Complainant : Shri Benedict John Sequeira

V/s.

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 21.05.2008

Shri Benedict John Sequeira was issued a Allianz Bajaj Unitgain Policy No.0006155540 from Bajaj Allianz Life Insurance Company Ltd. through their Corporate Agent Standard Chartered Bank, for sum assured Rs.10.00 lac with premium paying term of 3 years and with annual premium of Rs.2.00 lacs per year. The first premium receipt was issued on 28.11.2004. The premiums @ Rs.2.00 lacs per year for 3 years have been deducted. The grievance of Shri Sequeira with the Insurer is that he was misled by the bank's executive who explained the gist of the insurance policy and was told that it was a 3 year premium paying term with 40-60% returns yearly. The company did not send him any account statement till 19.08.2006. It was only then that he got to know that 30% of the premium was allocated towards unit purchase and 70% was deducted towards management expenses. He was unhappy with this allocation of funds. On receiving the account statement dated 31.05.2007, the account value shows Rs.4,95,833.86 for the amount of Rs.6.00 lacs premium already paid. He states that he was misled and hence demanded for the refund of his full premium amount with 21% interest.

The Complainant has raised many points in his complaint to this Forum, however, the following two matters of complaint can be entertained by this Forum.

- (1) Non-receipt of policy document
- (2) The consent offer to the counter offer dated 30.11.2004

As per the non-receipt of policy document – during the hearing, the representative of the Insurer stated that the policy document was sent to the policyholder by courier on 12.12.2004. However, Shri Sequeira stated that he had not received the policy document and only on his return to India after about 1 ½ years, and after his request, the Company sent him a duplicate policy. He had not made any attempt or follow-up with the Company for the policy document after paying the first premium. This type of complaint can be entertained if the policyholder takes up the matter with the company and approaches this Forum at the appropriate time. Even after receiving the policy document after 1 ½ years, Shri Sequeira did not make use of the free-look in period of 15 days and return/cancel his policy. In fact, he paid the

second installment of premium. Since he has now received the Policy, this part of the complaint stands disposed of.

As to the second point regarding the consent offer to the counter offer dated 30.11.2004, Shri Sequeira in his complaint letter to this Forum stated that he did not submit any consent letter to the Company. Shri Sequeira admitted that the occupation extra was explained to him at the time of sale. If he was not agreeable to the occupation extra, he should not have submitted his proposal. The Company has produced a copy of the consent letter dated 30.11.2004 accepting the counter offer. During the hearing Shri Sequeira denied that this was his signature. The fact that he had submitted his proposal after understanding the Occupation Extra and paid the subsequent premiums, indicates that he had no objection for the occupation extra, otherwise he should have raised the issue before paying the next premium. Asking for refund after paying three year's premium regularly does not sound a valid reason for refund. Since the modified terms relate to only charging occupation extra, and the objection for cancellation was not raised at the appropriate time, cancellation of the policy and refund of premiums is not permissible at this stage as per the policy conditions and therefore the complaint is not tenable. The other point regarding distribution channel and low allocation rate are not within the jurisdiction of this Forum.

MUMBAI OMBUDSMAN OFFICE
Complaint No.LI-678 of 2007-2008
Award No. IO/MUM/A/ 30 /2008-2009
Complainant : Smt. Surekha D. Choudhari,
V/s.

Respondent : SBI Life Insurance Corporation of India.

AWARD DATED 28.04.2008

Late Shri Dnyaneshwar Ranu Choudhari, had taken a housing loan from State Bank of India, Thane. To cover the housing loan liability, he had submitted a proposal-cum-declaration form to become a member of the SBI Life Super Suraksha Group Life Insurance Scheme for Housing Loan Borrowers, alongwith a DD of Rs.14,622/- dated 23.1.2006. Consequent upon this he became member of the Master Policy No.83001000203 issued by the Insurer to State Bank of India and the initial insurance cover given to Shri Choudhari was Rs.3,00,000/- under the SBI Home Loan Insurance Scheme. The risk cover was of diminishing nature i.e. the risk cover would taper down every month as per the original EMI schedule. The deceased life assured was admitted to the scheme as on the date of premium i.e on 23.1.2006.

Shri Dnyaneshwar Ranu Choudhari died on 6.3.2006. When Smt. Sulekha D. Choudhari, wife of the deceased life assured preferred a claim from SBI Life Insurance Co.Ltd., they rejected the claim vide letter dated 22nd September, 2007 stating that the date of commencement of policy was January 23, 2006. As per the death certificate, Late Shri Dnyaneshwar Ranu Choudhari expired on March 6, 2006 i.e. within 43 days from the date of commencement of the policy. As per Clause 5 of Schedule III of the policy, if the Life Assured expires within the period of 45 days from the date of commencement, no claim is admissible by the Company. The death of Late Shri Dnyaneshwar Ranu Choudhari, had occurred within 45 days from the date of commencement, hence they regretted their inability to settle the claim. Smt. Surekha, represented her case to the Company which was also turned down on the same ground.

The document received from the parties alongwith the oral deposition are examined. As per the death certificate dated 18.3.2006 the cause of death is not mentioned and the company has not investigated the cause of death but have repudiated the claim on the ground strictly as per the terms and conditions of the policy stating that the claim is payable only in case of death after 45 days.

The Claimant's contention is that her husband died on the 43rd day from the date of commencement of cover at his native place. He was facing severe breathless problems and he died due to natural death, which does not come under the purview of 45 days period. At the time of death, doctor's help was not available due to geographical area difficulties at village Pabal, Dist. Pune, hence no medical certificate could be provided and he was not admitted to the hospital at the time of death.

As per the written submission of the company, in Group Insurance Schemes the privity of contract is between the Master policyholder and the Insurer. As an evidence of contract, a Master Policy containing all the terms and conditions of the insurance coverage will be issued to the Master policyholder which is binding on the individual members.

As per the Schedule II, point No.6 'Benefits', terms and condition of the policy:

“ In the event of the death of the Member at any time, after 45 days (except for Accidental Death), from the Date of Commencement of Risk, subject to the Policy being in full force, but not later than the Member completing the age of 70 years, to pay the Grantees or any person so authorized by the Grantees the Sum Assured.”

As per Schedule IV ‘General conditions’ point 3:

“The commencement of risk for all the Members admitted to the benefits of the Scheme subsequent to the Date of Commencement of Risks under the Policy shall be from the date of which the premium is paid.”

In the instant case, the premium was paid on 23.01.2006. The DLA is reported to have expired on 06.03.2006 i.e. the 43rd day of the commencement of policy.

The cause of death was due to natural cause, i.e. it was a natural death and not an accidental one, though the exact cause is not available in the absence of the last medical attendant’s certificate. The Insurer has denied the claim by invoking Clause 6 of Schedule II of the Policy Conditions.

In view of the above facts, the decision of the Insurer to reject the claim cannot be questioned. However, as the Insurer has not covered any risk, they are directed to refund the premium charged under the policy.

MUMBAI INSURANCE OMBUDSMAN
Complaint No.LI-158 (08-09)

Award No.IO/MUM/A/ 138 /2008-2009

Complainant : Shri Haren Kantilal Shah
V/s.

Respondent : Tata AIG Life Insurance Company Ltd.

AWARD DATED 31.07.2008

Shri Haren Kantilal Shah, had taken a Life Insurance policy bearing No.C001891166 from Tata AIG Life Insurance Company Ltd. through proposal dated 14.02.2007 with Plan – Health Protector with Rider -Critical Illness for Rs.3.00 lacs for a Term of 11 years. The commencement of the policy was from 24.02.2007.

Shri Haren Kantilal Shah on 26.03.2008 submitted a claim for critical illness benefit in connection with Acute Coronary Syndrome suffered by him on 19.03.2008. He was admitted to Jehangir Hospital, Pune, from 20.03.2008 to 22.03.2008. He was admitted for Coronary Angiography followed by positive stress test, PTCA with 2 stent to LAD. He then approached Tata AIG for payment of Critical Illness Claim under the policy. The claim was repudiated by the Insurer

The relevant records pertaining to the case have been scrutinized. As per the History Sheet of Jehangir Hospital, the chief complaints noted is - "Posted for Angiography". The provisional diagnosis mentioned - "PTCA to LAD with 2 DES. The Impression of the Coronary Angioplasty Report of Shri Haren Shah issued by Jehangir Hospital shows "Single Vessel diffuse disease - PCI with stent to LAD". The recommendations given is "to continue medical management"

It is pertinent here to note the contents of the Tata AIG Life Health Protector Policy Provisions governing the Emergency Medical Conditions. 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.
- (iv)

The above criteria formed part of the standard terms and conditions envisaged in the policy document issued to Shri Haren K. Shah by the Insurer and the Life Protector Benefit is payable on fulfilling the terms and conditions as written in the Policy Document.

Angioplasty is not a covered surgery. Hence the benefit was declined. Claim for the illness under the category of Heart attack should cover all three conditions. The claim was denied.

MUMBAI INSURANCE OMBUDSOFFICE

Complaint No.LI - 168 of 2008-2009

Award No.IO/MUM/A/ 178 /2008-2009

Complainant : Shri Rajendra Ramavadh Yadav

V/s.

Respondent : ICICI Prudential Life Insurance Company Ltd., Mumbai

AWARD DATED 29.08.2008

Shri Rajendra Ramavadh Yadav had taken a Life Insurance Policy under Hospital Care – Plan A from ICICI Prudential Life Insurance Company Limited bearing No.05864974 with Date of commencement from 09.08.2007 for a policy term of 20 years and annual limit of Rs.4.00 lacs. The annual premium was Rs.6,103/-.

Shri Yadav suffered chest pain and got himself admitted on 09.12.2007 at the Asian Heart Institute for which he submitted a pre-authorization request form to the Company for Evolved Anterior Wall Myocardial Infarction. The pre-authorization request signed by Dr. Sudhir Vaishnav stated that the provisional diagnosis was “Evolved AWMI with HTN”. The treatment suggested was CAG and PTCA/CABG. To the question “Past History of any chronic illness – the answer against this option Hypertension was answered as “yes” and the duration was stated as 2-3 months. The TPA of the Company declined the request vide their letter addressed to Asian Heart Institute dated 11.12.2007. ICICI Prudential Life Insurance Company also vide their letter dated 12.12.2007 denied the pre-authorization request in accordance with the details mentioned below:

“As the ailment (Anterior Wall Myocardial Infarction) is arisen as a complication of Hypertension, the duration of which has occurred within 3 months of policy issue date, hence denied.”

According to the Discharge Summary dated 13.12.2007 of the Asian Heart Institute, Shri Yadav was admitted on 09.12.2007 and discharged on 13.12.2007. The Final Diagnosis given was – Ischaemic Heart Disease, Evolved AWMI, Single Vessel Coronary Artery Disease, PTCA. The History of present illness mentioned in the Discharge Summary states “A 37 year old male known hypertensive since 2 months on regular treatment. He came with complaints of chest pain since 2 days. ECG done in private clinic revealed evolved anterior wall myocardial infarction not thrombolysed. Ref to AHI for further management.” The past history states – IHD – diagnosed as evolved anterior wall myocardial infarction on 9.12.2007. Hypertension since 2 months The Company denied the pre-authorization form stating that the diagnosis of Hypertension falls within the waiting period as per Clause 6 of the policy terms and conditions, which reads as follows:

“Waiting Period – At no point of time during the term of the policy any benefit shall be payable for the claim which occurs or where the signs and / or the symptoms of illness/ condition for the claim has occurred within 3 months of Policy issue Date. This exclusion is not applicable where the claim occurs due to injuries caused by an accident”.

In the facts and circumstances, ICICI Prudential Life Insurance Co. Ltd. cannot be faulted for repudiation of the claim of Shri Rajendra Ramavadh Yadav.

