

BHUBANESWAR OMBUDSMAN CENTRE

COMPLAINT NO- 24-001-145 S.B

Sri Lalit Kumar Mahanta Vs. L.I.C. of India, Rairangpur BO

Award Dated 31st July, 2012

FACT :- In this Complaint, the Complainant has sought payment of Survival Benefit (S.B) amount along with interest for delay. The contention of the Complainant is that he has taken a Money Back policy commencing from 28.02.2005 for Sum Assured of Rs.50,000/- from the O.P.-Insurer. As stipulated in the policy bond, Survival Benefit of Rs.10, 000/- was due to him under the policy on 28.02.2010. But the amount was not paid to him. He represented to the O.P. in writing by addressing letters on 27.09.2010, 19.03.2011 and 12.08.2011. He got no response. On enquiry, he learnt that the cheque towards S.B. issued to him by O.P. had been delivered to another person bearing identical name. As the O.P. did not respond to his letters, feeling aggrieved , he has filed this complaint.

In the Counter, it is stated by the OP that the S.B due on the policy was paid on 28.01.2010 by its Rairangpur Branch vide cheque no. 0425594 dated 28.02.2010. After receipt of the copy of the complaint of the policy-holder from this forum, its Rairangpur Branch verified the records and issued a fresh cheque bearing no. 759730 dated 27.01.2012 for Rs.10,000/- towards S.B to the Complainant and that the same was dispatched to the Complainant in his given address on 30.01.2012 by Regd. Post.

The Complainant did not attend the hearing. The O.P.'s representative fully supported all facts as stated in the SCN and submitted that the fresh cheque for the same amount has been issued to the Complainant- Policy holder as its enquiry revealed that the original cheque in respect of the S.B. claim was delivered to another person and the policy holder did not receive it and that no interest has been paid to the Complainant.

AWARD :- Hon'ble Ombudsman observed that the policy taken by the complainant stipulates for payment of S.B to the extent of 20% of sum assured at the end 5th, 10th & 15th year from the date of commencement. The policy having commenced on 28.02.2005, the first S.B. became due on 28.02.2010. The stand of the O.P. is that S.B. cheque issued earlier was found upon verification to have not reached the complainant and that it has issued fresh cheque for the same amount of Rs.10,000/- to the complainant on 27.01.2012 and the same has been sent to the Complainant by Regd.Post. The complainant has not turned up to dispute the above facts. In normal circumstances the complainant must have received the cheque sent to him by Regd.Post. But all the same, there is delay in payment of the S.B. amount to the complainant. It is obviously the responsibility of the Insurer to make payment to the proper person. No blame would be shared by the complainant for the late payment, more so when he brought to the notice of the O.P. about non-payment S.B. amount to him though due on 28.02.2010. As stated by the O.P.'s representative, no interest for the period of delay has been paid to the

Complainant who has remained deprived of this amount since the due date. He is therefore entitled to interest for the period of delay.

Hence, Hon'ble Ombudsman directed to pay interest on the survival benefit claim amount at the rate of 8% per annum for the entire period of delay i.e., from 28.02.2010 upto the date of receipt of the dispatched cheque by the complainant.
