

PROCEEDINGS BEFORE - THE INSURANCE OMBUDSMAN, STATE
OF M.P. & C.G.
(UNDER RULE NO: 16(1)/17 OF THE INSURANCE OMBUDSMAN
RULE 2017)

OMBUDSMAN – Shri G.S.Shrivastava

Mr. Yadvendra K. Singh.....
Complainant

V/S

Life Insurance Corporation of
India.....Respondent

COMPLAINT NO: BHP-L-029-1718-0062 Order No.
IO/BHP/A/L/0148 /2018-2019

1.	Name & Address of the Complainant	Mr. Yadvendra Kumar Singh Flat no. 302, Phase 2, Sanjay Parisar, Vinobha Nagar, Bilaspur
2.	Policy No: Type of Policy Duration of policy/DOC	975116542 LIC's Future Plus 31.03.2006
3.	Name of the insured Name of the policyholder	Mr.Yadvendra Kumar Singh -same-
4.	Name of the insurer	Life Insurance Corporation of India
5.	Date of Repudiation/Rejection	
6.	Reason for repudiation/Rejection	
7.	Date of receipt of the Complaint	29.05.2017
8.	Nature of complaint	Non payment of maturity amount
9.	Amount of Claim	Maturity amount
10.	Date of Partial Settlement	-
11.	Amount of relief sought	Maturity amount
12.	Complaint registered under Rule	Rule No. 13(1)(b) of Ins.Ombudsman Rule 2017
13.	Date of hearing/place	On 23.08.2018 at 10.00 am at Bhopal
14.	Representation at the hearing	
	a) For the Complainant	Absent
	b) For the insurer	Absent
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	23.08.2018

17. Mr.Yadvendra Kumar Singh (Complainant) has filed a complaint against the action of Life Insurance Corporation of India (Respondent) alleging non payment of maturity claim.

18. **Brief facts of the Case -** The complainant stated that the above policy was taken by him from the respondent company. The policy got matured on 31.03.2016 but maturity amount is unpaid till date. It is further stated that he

is a senior citizen and suffering from diabetes and hypertension. He made many reminders to the respondent but no reply was given by the respondent. The complainant approached this forum for redressal of his grievance.

No SCN filed by the respondent.

19. The complainant has filed complaint letter, annex. VI A, policy copy, correspondence with respondent while respondent sent an Email dated 21.08.2018.

20. Both the parties remained absent during hearing. I perused the papers available on the record.

21. Email dated 21.08.2018 of respondent and attached letter of complainant addressed to this office dated 18.08.2018 is on record. The complainant in his letter dated 18.08.2018 has stated that payment under the policy has been received and he withdraws the complaint. As the matter has been resolved, hence the complaint is liable to be dismissed.

22. The complaint filed by Mr. Yadvendra K.Singh stands dismissed as resolved.

23. Let copies of Award be given to both the parties.

Dated : August 23, 2018
Place : Bhopal

(G.S.Shrivastava)
Insurance Ombudsman

PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF KARNATAKA

(UNDER RULE NO: 16/17 of THE INSURANCE OMBUDSMAN RULES, 2017)

OMBUDSMAN – NEERJA SHAH

In the matter of Kum A T Ambika V/s Star Union Dai-ichi Life Insurance Company Limited
Complaint No: BNG-L-045-1718-0708
Award No: IO/(BNG)/A/LI/0156/2018-19

1	Name & Address of the Complainant	Kum A T Ambika Sri Sharada Devi Blind School, Paramahamsanagara Anupinakatte Road, Gopala, Shimoga - 577205 Mob: 9480277766 Email:shenoy.ramakrishna@rediffmail.com
2	Policy No. Type of Policy Commencement of Policy/Policy Term /Premium	00527217 SUD Life - Jeevan Safar 13.09.2012/05 Yrs

	Paying Term	
3	Name of the Insured/ Proposer Name of the policyholder	Kum A T Ambika
4	Name of the Respondent Insurer	Star Union Dai-ichi Life Insurance Company Limited
5	Date of Repudiation/Rejection	27.10.2017
6	Reason for Repudiation	As per terms and conditions of the policy
7	Date of receipt of Annexure VI A	21.02.2018
8	Nature of complaint	Mis-Sale
9	Amount of claim	₹.65,000/-
10	Date of Partial Settlement	27.10.2017 & 10.01.2018
11	Amount of relief sought	₹.65,000/-
12	Complaint registered under Rule no:	13 (1) (b) & (d) of Insurance Ombudsman Rules, 2017
13	Date of hearing/place	30.07.2018/Bengaluru
14	Representation at the hearing	
	a) For the Complainant	Mr Ramakrishna Shenoy, Acquaintance
	b) For the Respondent Insurer	Ms Geetha Chandrashekar, Dy Manager(Customer Service & Operations)
15	Complaint how disposed	Allowed
16	Date of Award	30.08.2018

17. Brief Facts of the Case:

The dispute has arisen on account of short settlement of Claim. Despite taking up with the GRO of Respondent Insurer (hereinafter referred to as 'RI'), her request was not considered. Hence, the Complainant has approached this Forum for justice.

18. Cause of Complaint:

a. Complainant's arguments:

The Complainant stated that her sister and she are visually challenged and working in a privately-run blind school as teachers. She further stated that they were inveigled into entering an insurance scheme of the RI by its agent promising a minimum annual return of 10% on the total of ₹ 2,00,000/- that each of them had invested. She contests that they have repeatedly made it clear to the agent that they are spinsters and any scheme that confers posthumous benefit to their surviving heirs is of no use to them and that they are interested only in the monetary returns to them rather to their successors.

The Complainant further submitted that they paid total of ₹ 2,00,000/- as premium but at the end of the term of the policy, after much delay, the RI remitted only ₹ 1,64,153/- . On noticing the same, she surrendered the policy by unconditionally waiving all the further liability/risk and thereafter the RI paid the surrender value of only ₹ 34,368/- .

The Complainant contended that, the RI

- a) through its agent has resorted to mis-selling of its products unsuitable for her requirements,
- b) has taken unfair advantage of the weak position they were placed vis-a-vis the company,
- c) has neither incurred expenses nor met with any liabilities as regards to the aforesaid policy and it is unreasonable on its part to refund only the money

- that she had invested, after keeping it for five years thus making her funds a virtual interest-free borrowing and
- d) delayed the process of settling claim by four months.

Aggrieved, the Complainant registered her complaint with this Forum for justice.

b. Respondent Insurer's Arguments:

The RI denied all the allegations made by the Complainant and stated that the Complainant had submitted proposal form along with the requisite documents for procuring a life insurance plan from them. On receipt of the proposal form, the policy was issued to the Complainant on the basis of the information provided in the proposal form. The RI further stated that the Complainant is a teacher and applied for the policy wherein she was completely made aware and explained about the policy plan, details of the premium, maturity and other benefits under the plan opted.

The RI stated that the Complainant has received the policy bond well within time and has not contested the said irregularities in the policy within the FreeLook period thus failed to utilise the provision of 'FreeLook Option'. The RI further stated that the Complainant was paid an amount of ₹.1,40,000/- plus ₹.24,152/- at the end of the policy term and the risk cover for an sum assured of ₹.1,40,000/- is continued as per the terms and conditions of the policy.

The RI stated that the Complainant has applied for surrender of the policy and given her consent for surrender of her policy. Based on request for surrender, an amount of ₹.34,024/- was paid to her as "Surrender Value". The RI further stated that they have followed the terms and conditions of the policy accurately and paid the Complainant her rightful due.

The RI submitted that they have paid an additional amount of ₹.34,982/- to the Complainant on humanitarian grounds and that the said amount is paid voluntarily after fulfilling all obligations as per terms and conditions of the policy. The amount paid was arrived by using interest rate as stipulated in IRDAI (Protection of Policyholders Interests) Regulations, 2017 i.e. 8.5% bank rate plus 2 percent) on the premium paid by the Complainant compounded annually.

The RI on the basis of the above submission requested for dismissal of the complaint

19. Reason for Registration of complaint:

The complaint falls within the scope of the Insurance Ombudsman Rules, 2017.

20. The following documents were placed for perusal:

- a. Complaint along with enclosures,
- b. SCN of the Respondent Insurer along with enclosures and
- c. Consent of the Complainant in Annexure VI A & Respondent Insurer in Annexure VII A.

21. Result of the personal hearing with both the parties (Observations & Conclusions):

The issue which requires consideration is whether policy was mis-sold to the Complainant by the associates of the RI.

During the course of personal hearing, both the parties reiterated their earlier submissions.

The Forum carefully went through the documents submitted by the RI and the submissions made by the Complainant. The Forum noted that Complainant procured the policy through bancassurance channel by paying the first premium through cheque.

The Forum noted that RI has paid the maturity amount and Surrender value as per the terms and conditions of the policy and also paid an additional amount of ₹ 34,982/- after reconsidering the request of the Complainant as a special case on humanitarian grounds.

However, the Forum found that the proposal form was witnessed by the agent/principal officer who was also soliciting the policy. The Complainant being visually challenged could not have read the contents and she was completely dependent on the words of the agent/principal officer. As a prudent person had he chosen an independent witness known to the Complainant, this complaint could have been avoided. By doing so the agent/principal officer has contravened the provisions of Para 1.2(c), 1.2(f) and II.3.(ii).f of Schedule III which deals with Code of Conduct for Corporate agents of Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations,2015.

The Forum notes that the Banc-assurance agent of the RI should have taken all precautions as mandated by law as the policy was being purchased on good faith by visually challenged ladies. Under these circumstances the balance amount of ₹.13,968/- should be paid by the RI to the Complainant.

AWARD

Taking into account the facts & circumstances of the case, documents submitted and the submissions made by both the parties during the course of hearing, this Forum directs the RI to pay an amount of ₹.13,968/- to the Complainant.

The complaint is ALLOWED.

22. Compliance of Award:

The attention of the Complainant and the Respondent Insurer is hereby invited to Rule 17(6) of the Insurance Ombudsman Rules, 2017, where under the Respondent Insurer shall comply with the award within 30 days of the receipt of the Award and shall intimate compliance of the same to the Ombudsman.

Dated at Bengaluru on the 30th day of August, 2018

(NEERJA SHAH)
INSURANCE OMBUDSMAN
FOR THE STATE OF KARNATAKA

**PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF
KARNATAKA**

(UNDER RULE NO: 16/17 of THE INSURANCE OMBUDSMAN RULES, 2017)

OMBUDSMAN – NEERJA SHAH

In the matter of Kum A T Asha V/s Star Union Dai-ichi Life Insurance Company Limited

Complaint No: BNG-L-045-1718-0709

Award No: IO/(BNG)/A/LI/0157/2018-19

1	Name & Address of the Complainant	Kum A T Asha Sri Sharada Devi Blind School, Paramahamsanagara Anupinakatte Road, Gopala, Shimoga - 577205 Mob: 9480277766 Email:shenoy.ramakrishna@rediffmail.com
2	Policy No. Type of Policy Commencement of Policy/Policy Term /Premium Paying Term	00527148 SUD Life - Jeevan Safar 10.09.2012/05 Yrs
3	Name of the Insured/ Proposer Name of the policyholder	Kum A T Asha
4	Name of the Respondent Insurer	Star Union Dai-ichi Life Insurance Company Limited
5	Date of Repudiation/Rejection	27.10.2017
6	Reason for Repudiation	As per terms and conditions of the policy
7	Date of receipt of Annexure VI A	21.02.2018
8	Nature of complaint	Mis-Sale
9	Amount of claim	₹.65,000/-
10	Date of Partial Settlement	23.11.2017 & 10.01.2018
11	Amount of relief sought	₹.65,000/-
12	Complaint registered under Rule no:	13 (1) (b) & (d) of Insurance Ombudsman Rules, 2017
13	Date of hearing/place	30.07.2018/Bengaluru
14	Representation at the hearing	
	a) For the Complainant	Mr Ramakrishna Shenoy, Acquaintance
	b) For the Respondent Insurer	Ms Geetha Chandrashekar, Dy Manager(Customer Service & Operations)
15	Complaint how disposed	Allowed
16	Date of Award	30.08.2018

17. Brief Facts of the Case:

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18. Cause of Complaint:

a. Complainant's arguments:

The Complainant stated that her sister and she are visually challenged and working in a privately-run blind school as teachers. She further stated that they were inveigled into entering an insurance scheme of the RI by its agent promising a minimum annual return of 10% on the total of ₹ 2,00,000/- that each of them had invested. She contests that they have repeatedly made it clear to the agent that they are spinsters

and any scheme that confers posthumous benefit to their surviving heirs is of no use to them and that they are interested only in the monetary returns to them rather to their successors.

The Complainant further submitted that they paid total of ₹ 2,00,000/- as premium but at the end of the term of the policy , after much delay, the RI remitted only ₹ 171,287/- . On noticing the same, she surrendered the policy by unconditionally waiving all the further liability/risk and thereafter the RI paid the surrender value of only ₹. 29,665/- .

The Complainant contended that, the RI

- e) through its agent has resorted to mis-selling of its products unsuitable for her requirements,
- f) has taken unfair advantage of the weak position they were placed vis-a-vis the company,
- g) has neither incurred expenses nor met with any liabilities as regards to the aforesaid policy and it is unreasonable on its part to refund only the money that she had invested, after keeping it for five years thus making her funds a virtual interest-free borrowing and
- h) delayed the process of settling claim by four months.

Aggrieved, the Complainant registered her complaint with this Forum for justice.

b. Respondent Insurer's Arguments:

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The RI stated that the Complainant has received the policy bond well within time and has not contested the said irregularities in the policy within the FreeLook period thus failed to utilise the provision of 'FreeLook Option'. The RI further stated that the Complainant was paid an amount of ₹.1,40,000/- plus ₹.24,369/- at the end of the policy term and the risk cover for an sum assured of ₹.1,40,000/- is continued as per the terms and conditions of the policy.

The RI stated that the Complainant has applied for surrender of the policy and given her consent for surrender of her policy. Based on request for surrender, an amount of ₹.29,665/- was paid to her as "Surrender Value". The RI further stated that they have followed the terms and conditions of the policy accurately and paid the Complainant her rightful due.

The RI submitted that they have paid and additional amount of ₹.35,125/- to the Complainant on humanitarian grounds and that the said amount is paid voluntarily after fulfilling all obligations as per terms and conditions of the policy. The amount paid was arrived by using interest rate as stipulated in IRDAI (Protection of Policyholders Interests) Regulations, 2017 i.e. 8.5% bank rate plus 2 percent) on the premium paid by the Complainant compounded annually.

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The Forum noted that RI has paid the maturity amount and Surrender value as per the terms and conditions of the policy and also paid an additional amount of ₹.35,125/- after reconsidering the request of the Complainant as a special case on humanitarian grounds.

However, the Forum found that the proposal form was witnessed by the agent who was also soliciting the policy. The Complainant being visually challenged could not have read the contents and she was completely dependent on the words of the agent/principal officer. As a prudent person had he chosen an independent witness known to the Complainant, this complaint could have been avoided. By doing so the agent/principal officer has contravened the provisions of Para 1.2(c), 1.2(f) and II.3.(ii).f of Schedule III which deals with Code of Conduct for Corporate agents of Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations,2015.

The Forum notes that the Banc-assurance agent of the RI should have taken all precautions as mandated by law as the policy was being purchased on good faith by visually challenged ladies. Under these circumstances the balance amount of ₹.13,827/- should be paid by the RI to the Complainant.

AWARD

Taking into account the facts & circumstances of the case, documents submitted and the submissions made by both the parties during the course of hearing, this Forum directs the RI to pay amount of ₹.13,827/- to the Complainant.
The complaint is ALLOWED.

22. Compliance of Award:

The attention of the Complainant and the Respondent Insurer is hereby invited to Rule 17(6) of the Insurance Ombudsman Rules, 2017, where under the Respondent Insurer shall comply with the award within 30 days of the receipt of the Award and shall intimate compliance of the same to the Ombudsman.

Dated at Bengaluru on the 30th day of August, 2018

(NEERJA SHAH)
INSURANCE OMBUDSMAN
FOR THE STATE OF KARNATAKA