AHMEDABAD

Ahmedabad Ombudsman Centre
Case No.22-001-0193-10
Shri Arif N. Memon Vs.
LIC of India
Award dated 30-10-2009
Cancellation of policy during free look period is denied.

The Complainant submitted that he had requested the Respondent to cancel the policy within stipulated free look period for the reason that he had taken the policies for the benefit of relief from the Income tax for the financial year 2008-09.

Respondent submitted that cheque submitted by the Complainant on 31-03-2009 for the subject policies was not honored for the reason "Insufficient Balance". The Complainant had made repayment in cash in lieu of dishonored cheque, hence fresh policies were issued on 15-04-2009. Hence Income tax relief could not be availed for previous financial year. The Respondent submitted that the reason given by the Complainant for cancellation of policies was not falling within the purview of provision of "Cooling off" under IRDA (Protection of Policy holders Interest) Regulation 2002 hence could not be allowed.

This forum observed that the Complainant had allowed his cheque to be dishonored in previous F.Y and with the intention to have insurance cover made fresh payment in next financial year. Therefore, Respondent's decision denying the request for cancellation of policies was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-001-0234-10
Shri Pradeep D. Patel Vs.
LIC of India
Award dated 30-10-2009
Repudiation of Death Claim

After submission of Proposal form but before its conversion into a life insurance contract, the DLA had a health problem of chest pain and uneasiness which resulted in Cardiac Arterioric Bypass Grafting. The Assured died within a year of taking the insurance policy. Claim on death of the DLA was repudiated by the Respondent on the ground that as per the Personal Statement and undertakings given by the deceased life assured in a Proposal form, the change in his health which had an impact on underwriting decision

was not informed to the Respondent hence the contract was treated as cancelled. The Respondent took the decision on the basis of Medical Report duly signed by the DLA and the Medical Examiner dated 10-10-2006 given to the Respondent.

Discharge Summary of the hospital dated 10-10-2006 when by pass Surgery was undergone by the DLA and Review slip showing date of underwriting decision as 11-11-2006.

This forum observed that there was a breach of utmost good faith by the DLA hence decision of the Respondent was upheld.

Ahmedabad Ombudsman Centre
Case No.21-001-0173-10
Smt.Zarina Begum Naimuddin Vs.
LIC of India
Award dated 05-11-2009
Repudiation of Death Claim

While proposing for Insurance, the assured had not disclosed the fact of having taking treatment for Infective Hepatitis and availed sick leave on medical ground prior to filling up the proposal for insurance. The Assured died within 2 years of taking the insurance policy. Claim lodged was repudiated by the Respondent on the basis of leaves availed on medical ground and certificate of treatment by the treating doctor.

The Complainant stated that leave was availed on medical ground to fulfill some social obligation and other family exigencies.

This forum observed that the Respondent could not produce evidences of any diagnostic tests or treatment of any disease or the fraudulent intention. Non disclosure of leave on medical ground alone cannot be accepted as fraudulent suppression particulars so when under two years rule, “Proof of material and deliberate fraud is necessary and not mere constructive fraud”. Based on the judgment of Hon. State Commission as under:

“The leave record filed itself is not enough to establish that the deceased suppressed the material fact fraudulently”.

The decision of the Respondent to repudiate the claim was set aside.

Ahmedabad Ombudsman Centre
Case No.21-001-0174-10
Shri Sulemanbhai I Hamidani Vs.
LIC of India
Award dated 13-11-2009
Repudiation of Death claim under LIC policy

While proposing for insurance, the Assured had not disclosed the fact of having taken treatment for Alcoholic liver disease – Cirrhosis of liver and habit of consuming alcohol since long. The assured died within 2 years and 8 months from taking the insurance policy. Claim on death of the DLA was repudiated by the Respondent on the basis of the Admission history and discharge summary of a reputed hospital i.e., Sterling Adds Life hospital wherein it was mentioned that the DLA was a known case of alcoholic liver disease, he was hospitalized one year back for alcoholic liver disease, was treated for cirrhosis of liver and Hepatitis and was consuming alcohol since 14 years.

Being aggrieved with the decision of the Respondent, the nominee and father of the DLA preferred an appeal before the claim review committee which is headed by a retired high court judge. The committee after judiciously examining the facts of the case decided to pay 50% of basic sum assured. Again not agreeing with the decision the Complainant approached this forum.

As such, the facts being material for underwriting and also satisfying the 3 conditions of Part II of section 45 of Insurance Act 1938, the decision of the Respondent to pay 50% of S.A on ex-gratia basis was upheld.

Ahmedabad Ombudsman Centre
Case No.21-003-0208-10
Mr. Amit P Bhalodia Vs.
Tata AIG Life Insurance Co. Ltd.
Award dated 30-11-2009
Repudiation of Death Claim

Late Shri Pravinlal C. Bhalodia, (DLA) was holding Life Insurance Policy No. U 050005055 with commencement date 30-04-2006 for Sum Assured of Rs.2,17,000/-. The DLA died on 22-10-2008 due to Hepatitis B related Cirrhosis of liver and associated complications. The Complainant being nominee under the subject policy lodged a claim which was repudiated by the Respondent vide their letter dated 19-12-2008 alleging nondisclosure of material facts by making incorrect statement regarding health while filling up the proposal form by the DLA.

The Respondent produced an admission history and physical assessment form of the hospital where the DLA was admitted. In the said form the treating doctor had mentioned that DLA was a known case of Cirrhosis of liver with portal H.T. since 2004-05.

Respondent also stated that the said admission history and physical assessment form was signed by a son of the DLA which tantamount to presume that the nominee and entire family were aware with the past history of the DLA.

The Complainant produced certificate of two different doctors who had certified that the DLA was suffering from the disease since 1½ years only.

This forum observed that Section 45 of the Insurance Act 1938 was operative against the Respondent and hence the onus to prove all the three conditions of Part II of the ennobling Section 45 lies on the Respondent. The Respondent has simply relied on the history recorded in the Records of the hospital. They have not obtained any certificate of hospital treatment or any evidence to show that DLA had been treated for Hepatitis B related Cirrhosis of Liver in the year 2004-05. The Respondent has been able to establish only one of the requirements out of 3 as envisaged under section 45 of Insurance Act 1938.

In the result, the complaint succeeded.

Ahmedabad Ombudsman Centre
Case No.21-015-0301-10
Mr. Bijal P. Jitiya Vs.
Bharti Axa Life Insurance Co. Ltd.
Award dated 28-12-2009
Life Insurance Policy

The death claim under the policy had been repudiated on the ground that Deceased Life Assurance (DLA) had not disclosed material information regarding his health, his proposal for insurance was declined by another insurance company on medical ground and diagnostic tests undergone while proposing for insurance with another insurance company.

The Complainant submitted in his written submission as well as during the course of hearing that the DLA was not well versed with English and the proposal form was filled-up and signed by the Agent.

The Respondent submitted that the Proposal Form was signed by the DLA in English after understanding the contents of the form.

This forum opined that subject death claim requires the verification of signature of the DLA by a handwriting expert, statement and affidavit of the agent which calls for proper legal procedure which is beyond the jurisdiction and scope of this forum.

Hence without getting into merits of the case, leaving it for the complainant to seek other means to resolve the grievance taking recourse to any other forum as may be considered appropriate.

The Complaint thus stands disposed.

Ahmedabad Ombudsman Centre
Case No.11-004-0307-10
Mr. Vinayak M. Parekh Vs.
United India Insurance Co. Ltd.
Award dated 29-12-2009
Mediclaim

The insured was hospitalized for the treatment of Acute Exacerbation of APD with bilateral small renal calculi with Appendicular pathology disease. The claim was rejected by the Respondent invoking clause 5.3 and 5.4 of the terms and conditions of the policy which deals with late intimation of hospitalization and late submission of claim papers respectively than the stipulated time limit.

There is on record a copy of receipt of courier service showing that intimation of hospitalization was sent to TPA on the day of the hospitalization.

The Respondent admitted this fact but disputed that the claim papers were submitted late by 30 days.

The Complainant proved that Post hospitalization treatment continued hence submission of claim paper was late by 19 days only.

This forum opined that for late submission of claim papers by 19 days the Complainant represented for condonation but the Respondent had not exercised the discretion to condone the delay. Moreover there was no other infirmity in the claim.

Therefore, it was ordered to settle the claim on ex-gratia basis and thus the complaint succeeded partially.

Ahmedabad Ombudsman Centre
Case No.21-018-0344-10
Mr. Kalpanbhai S.Zinzuwadia V/s.
Future Generali (I) Life Ins.Co. Ltd.
Award dated 26-02-2010
Life Insurance Policy

Repudiation of Death Claim by the Respondent on the ground of non disclosure of material facts. While proposing for insurance, DLA had not disclosed the facts of having insurance with another company and his proposal was declined by one more company on the basis of ECG reading revealed Myocardial infarction. The DLA died within 4 months from the date of commencement of the risk under the policy due to heart attack.

Respondent produced copy of e-mail sent by one insurance company to them. Moreover they produced a list of policies taken by the DLA from one more company but the list was without any authentication.

The Complainant submitted that the DLA was neither holding insurance policies nor his proposal was declined by another company.

The Respondent requested this forum to issue directives to other companies to produce documentary evidences in support of the decision of the Respondent of repudiation.

This forum opined that onus to prove charges leveled in the repudiation letter solely lies with the Respondent and they failed to produce sustainable proofs to support their decision of repudiation of claim. Therefore their decision was kept aside and directed to pay the admissible amount of the claim to the Complainant.

Ahmedabad Ombudsman Centre
Case No.21-001-0392-10
Smt. Varshaben S. Tankaria V/s.
Life Insurance Corporation of India
Award dated 26-02-2010
Repudiation of Death Claim

The claim on death of the Deceased Life Assured was repudiated on the ground that the DLA was suffering from Hypertension and Diabetes Mellitus prior to commencement of the policy which fact was withheld by him when he signed the proposal form.

The Respondent produced copy of Medical attendant's certificate and certificate of hospital treatment which confirmed that the DLA had given history that of hypertension and diabetes mellitus prior to date of commencement of the subject policy.

The Complainant did not deny this fact but pleaded that death was due to Bilateral extensive consolidation Pneumonia- septicemia leading to Acute Renal failure which had no nexus with diabetes and hypertension.

This forum observed that death of the DLA occurred within 1 year from the date of commencement of the policy and section 45 of Insurance Act 1938 was operative against him. The documents produced by the Respondent proved that suppression of material fact by the DLA rendered the policy contract absolutely null and void ab initio hence the complaint fails to succeed.

Case No.21-018-0344-10
Mr. Kalpanbhai S. Zinzuvadia V/s. Future Generali Life Ins. Co. Ltd.
Award dated 26-02-2010
Repudiation of Death Claim

The claim on death of the Deceased Life Assured was repudiated since the DLA allegedly suffered from Myocardial Infarction. The DLA died within 4 months from the date of commencement of risk due to heart attack.

The Respondent produced sole evidence being a copy of e-mail received by them from another insurer stating that proposal of the DLA was declined on account of adverse finding in ECG i.e. Myocardial Infarction.

From the evidence it was difficult to establish that the DLA of under the subject policy and the person who proposed with another insurer was the same person in the absence of information like address, father's name, date of birth etc.

The Respondent could not produce information like i) date of ECG ii) Reading of ECG iii) Why ECG taken iv) Treatment/Consultation papers v) Diagnostic test reports etc.

The Complainant stated that DLA was healthy and did not take any treatment from any doctor.

Since the respondent's decision to repudiate the claim was not supported by evidences, it was set aside and thus the complaint succeeds.

Ahmedabad Ombudsman Centre
Case No.21-001-0481-10
Mrs. Arti R. Pawar V/s. LIC of India
Award dated 26-03-2010
Death Claim

Respondent had repudiated the claim under the policy on death of the Deceased Life Assured (DLA) on the ground that the DLA had withheld material information with regard to health history and habits at the time of filling up the Proposal Form on 08-07-2006.

Respondent submitted copy of Indoor case paper of the hospital showing that DLA was admitted on 20-08-2000 and 03-12-2000 for the treatment of Anterioseptal Myocardial Infarction with Inferior wall Ischemia.

The Respondent also produced copy of last Medical attendant's certificate and certificate of hospital treatment confirming the history of Anterioseptal Myocardial Infarction since 20-08-2000.

This forum observed that there was misstatement of material facts committed by the DLA while submitting the Proposal form even though the DLA was aware about the actual position about his health.

In the result the complaint fails to succeed.

Ahmedabad Ombudsman Centre
Case No.21-001-0421-10
Smt. Pramilaben Malika Vs. LIC of India
Award dated 31-03-2010
Repudiation of Death Claim

Complainant lodged a claim after death of her husband, the Deceased Life Assured under the subject policy. The Respondent had repudiated the claim alleging incorrect statement and withholding material information with regard to health of the deceased Life Assured at the time of filling up the Personal Statement regarding Health dated 29-12-2007 for revival of lapsed policy contract.

The Respondent submitted that the DLA had consulted a medical man on 05-09-2007 for chest pain prior to 29-12-2007 the date of Revival of the policy.

The Respondent produced certificate of treatment completed by Dr. Krushna Prasad Mishra, BHMS certifying that the DLA consulted him on 05-09-2009 with complaint of Chest pain since last 5 days.

Complainant submitted that her husband suffered chest pain due to whooping cough and not due to any heart related problem.

The Complainant in her reply to the letter dated 25-09-2008 from the Respondent inquiring about when did the DLA leave Surat prior to his death stated that DLA had reached to his native place at Orissa from Surat on 29-12-2007 which is quite impossible because this the date on which DLA had put his signature on Declaration of Good Health dated 29-12-2007 for revival of policy.

This forum observed that the DLA made deliberate misstatements and withheld material information regarding his health which has a nexus of cause of death which occurred due to heart attack.

In the result, the complaint fails to succeed.

Ahmedabad Ombudsman Centre
CASE NO.21-001-491-10
MRs. ARTI R. PAWAR V/S
LIFE INSURANCE COFRPORATION OF INDIA

Award Date: 31.03.2010

Repudiation of Death claim stating that incorrect statements and withholdment of material information with regard to health history and habits of DLA at the time of filling proposal form as on 08.07.2006. DLA admitted to the hospital in the month of August 2000 & December 2000 for the treatment of Anterioseptal Myocardial Infarction with inferior wall ischemia. This fact was not shown in the proposal form filled in July 2006. The Respondent submitted set of papers alongwith evidences, it is established that though the section 45 of Insurance Act in the subject policy is in the favour of the DLA yet there is concrete documentary evidence on record to prove deliberate misstatement and suppression of material information by the DLA at the time of taking the insurance. The decision of Respondent is upheld without any relief to the complainant.

Ahmedabad Ombudsman Centre
Case no 21-001-209-10
Mrs Nityaben J Trivedi Vs
Life Insurance Corporation of India

Award Date : 09-12-2009

Repudiation of Death Claim : On death of life assured in accident on 20-02-2009 the complainant has submitted the claim for death benefit under the policy and the claim has been repudiated by the respondent on 31-03-2009 alleging incorrect statement and withholdment of material information with regard to previous insurance policy held by DLA committed by him at the time of filling up the proposal forms on 05-03-2007.The respondent has pleaded that concealment of material information misled them in properly assessing the risk .Had the DLA disclosed the information regarding his policies they would have called for special reports and based upon their findings ,the underwriting decision would have been effected. On examination of the facts it is established that a period of more than 2 years has elapsed between the DOC and issuance of repudiation letter section 45 of Insurance Act 1938 will be operative against the respondent and the onus to prove the fraudulent intention lies on respondent .The respondent has not produced any documentary evidence to prove the allegation Hence the decision of the respondent to repudiate the claim is not justified and they have been directed to pay admissible amount to the complainant .The complaint stands succeed.

Ahmedabad Ombudsman Centre
Case no 21-018-0456-10
Mr Ishwarbhai Vithalbhai Patel Vs
IDBI Fortis Life Insurance Co.Ltd

Award Date : 30-03-2010

Repudiation of Death Claim : On death of life assured due to heart attack on 09.05.2009, the complainant has submitted the claim for death benefit under the policy and the claim has been repudiated by the respondent alleging incorrect statement and withholding material information with regard to previous insurance policy held by DLA committed by him at the time of filling up the proposal forms on 27.01.2009.The respondent has pleaded that concealment of material information misled them in properly assessing the risk .Had the DLA disclosed the information regarding his policies they would have called for special reports and based upon their findings ,the underwriting decision would have been effected. On examination of the facts it is established that the relevant duration being less than 2 years it does not get the protection

of provision of section 45 of Insurance Act 1938. Hence the decision of the respondent to repudiate the claim is justified .The complaint fails to succeed.

Ahmedabad Ombudsman Centre
Award dated 15-10-2009

Case No.21-001-0152-10

Mr. Mrs. Narmadaben K Virani - Vs. Life Insurance Corp. of India Life Insurance Policy

The death claim under the subject policy was repudiated by the Respondent alleging incorrect statement and withholdment of material information with regard to his previous policy No.813272864 at the time of affecting the assurance with the Respondent under the subject policy.

On a perusal of the proposal, it is observed that there is a specific question specifically directed to the previous policies held by the DLA. The subject proposal when examined, discloses that in reply to question number 9. Please give details of your previous insurance (including policies surrendered/lapsed during last three years.) DLA had given details of his two policies taken in October 1997 and March 1998 respectively but had not mentioned policy no. 813272864.

It is pertinent to note that the date of proposal for policy no. 813272864 is 19.3.2007 and it was completed on 23.3.2007 just two days before completing the proposal dated 25.3.2007 under the subject policy claim for which was repudiated.

It is therefore imperative to find out whether on the date of proposal Viz. 25.3.2007 DLA knew the policy number of the proposal where first premium receipt was issued on 23.3.2007.

Respondent did not produce any document or evidence to show that the FPR dated 23.3.2007 for policy no. 817272864 or Policy Document of this policy was delivered to the DLA before 25.3.2007 the date on which proposal for the policy no. 81419162 was completed by him.

It is therefore imperative that on the date of signing the proposal dated 25.3.2007 DLA did not know the policy number of the policy completed on 23.3.2007. If one does not know the policy number, how can he be accused of not disclosing the same.

It thus gets established that as on date of proposal the DLA could not give the policy number of the Policy No. 813272864 even though it was material.

It is true that suppression presupposes knowledge and awareness about the information suppressed and the question arises as to whether it is established that the said knowledge and awareness of the policy number was there in the proposal. Here a note may be taken that the policy was completed just two days before the date of fresh proposal and Respondent has failed to produce any evidence or document to prove that the first premium receipt or the Policy Bond for this policy was delivered to the DLA prior to his completing the proposal dated 25.3.2007.

Thus the allegation of suppression or non discloser of previous policy committed by the DLA while submitting the proposal is not substantiated by material on record.

There is a serious flaw in repudiation letter dated 27.11.2008 issued by the respondent and the respondent has failed to prove allegation of witholding material information regarding previous policy by DLA the Respondent's decision to repudiate the claim is not justified.

Complaint succeeds and forum directed to the Respondent to settle the claim.

Ahmedabad Ombudsman Centre
case No. 21.001.0222.10

Award dated 30.11.2009

Kodumal Parwani Vs. Life Insurance Corp. of India

Life Insurance Policy

The death claim under the subject policy was repudiated by Respondent on the grounds of incorrect statement and withholdment of material information with regard to health of DLA, committed by her at the time of filling up the proposal and before commencement of the insurance.

After perusing documents on record read with the pleading of the parties it was revealed that the respective questions of proposal form regarding previous medical history and present state of health was wrongly given. The

DLA was suffering from Squamous cell carcinoma Grade III and had taken treatment prior to proposal was not disclosed.

Since non-disclosure was proved the case was dismissed.

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

Award Dated: 30.11.2009

Repudiation of Death claim.

The complainant has lodged claim on death of her husband on 22.11.2008 due to heart attack. The Respondent has repudiated the claim alleging incorrect statement and withholdment of material information with regard to DLA committed by him at the time of taking the policy. The hospital treatment certificate has confirmed that DLA was suffering from HT with ISD prior to the taking of this policy & DLA was knowing the status of health. It is established from the available evidences on records that mis-statement with regard to Health history of DLA committed by him while filling of the proposal form whereas he was aware of the correct position of health. The decision of the Respondent to repudiated the claim is upheld

Ahmedabad Ombudsman Centre
Award dated 30-12-2009

Case No.21-001-0296-10

Smt. Taraben Mohabatsinh Zala V/s.

Life Insurance Corp. of India

Life Insurance Policy

The subject policy was proposed on 31-03-2008 by the DLA. He died on 19th April 2008, nineteen days after the date of proposal for the policy, due to heart attack.

The death claim under the subject policy was repudiated by Respondent on the grounds of non-disclosure of material facts by making incorrect statements regarding accidental injury and sick leave availed, while filling up the Proposal, having been committed by the DLA.

After perusing documents on record read with the pleading of the parties it was revealed that the respective questions of proposal form regarding previous injury and sick leave was wrongly given.

It has also been considered that the repudiation decision having been communicated through the Respondent's letter dated 22.4.2009 in the case, the period that elapsed between the date of repudiation and date of affecting the contract is less than 2 years. Consequently the case does not get protection of the ennobling provision under section 45 of the Insurance Act, 1938.

Since non-disclosure was proved the case was dismissed

Ahmedabad Ombudsman Centre

Award dated 31-01-2010

Case No.21-001-0363-10

Smt. Smt. Hetalben Satishkumar Shah **Vs. L IC OF INDIA**

Life Insurance Policy

The complaint was for alleged non-payment of Accidental Benefit, which the Complainant claimed to be due as per terms and condition of the policy.

The Complainant submitted that that the DLA while coming back from his shop fell down and sustained head injury on 6.7.2007. He was first treated by DR. Y C Shah at Karnavati Hospital, Ahmedabad and by Dr. Kirit Shukla Neurosurgeon. He died on 7.8.2007 due to brain hemorrhage. She submitted that since the injury sustained was due to an accident, the claim be settled for accident benefit in her favour. She also submitted that following religious belief post mortem was not carried out.

The Respondent submitted that the DLA was suffering from hypertension and Diabetes Mellitus and he died due to inter cerebral hemorrhage which was a complication of hypertension. Since the death was not caused due to an accident the accident benefit claim is not admissible. The respondent submitted opinion of medical referee and certificate of treatment of Dr. Y C Shah.

From the perusal of records it reveals that.

The formal requirements for documentation of an Accident resulting in Death such as filing of FIR, Panchnama, PMR etc. had not been undertaken.

There is no formal document available to prove that the death was caused due to accident.

The relevant Clause-10 of the policy requires the Accident to be proved to the satisfaction of the Insurer for payment of Accident Benefit Claim.

Clause –11 which gives details of normal requirement for a Claim specifically provides that in the case of Claim for Accident Benefit the Proof of Accident is essential.

Certificate of treatment completed by Dr. Y C Shah along with photocopy of case paper and opinion of the Medical referee shows that the DLA was suffering from High blood pressure and diabetes Mellitus. The Medical referee of the respondent opined that cause of death was inter cerebral hemorrhage which was a complication of hypertension and not an injury sustained by an accident.

In the absence of any acceptable evidence whatsoever to prove Accident produced by the Complainant, the Respondent rightly released the basic Sum Assured only and the rationales applied by the respondent with a documentary support endorsed their decision to reject the accident benefit.

The case was dismissed

Award dated 31-01-2010

Case No.21-001-0363-10

Smt. Smt. Hetalben Satishkumar Shah **Vs. L IC OF INDIA**

Life Insurance Policy

The complaint was for alleged non-payment of Accidental Benefit, which the Complainant claimed to be due as per terms and condition of the policy.

The DLA was murdered on 9.12.2008. There is no dispute with regard to the factum of death of the DLA

The respondent alleged that the cause of death of DLA was planned murder an outcome of enmity in land and money deal and quoted NCDRC judgment in case no. 201/1999 that if dominant intention of act of felony is to

kill any particular person, then such killing is not an accident murder but is a murder simplicitor. Respondent submitted that the policy conditions do not include murder itself as accident. DAB in case of murder become payable if it is an accidental murder.

The Respondent had denied the payment of DAB as per Policy condition 10-2(b)(iii) of the Policy.

The matter is sub judicious and pending before court of law under the circumstance before the judgment from the court it cannot be decided about innocence of the deceased and to establish that he was not involved in either initiating or provoking the accused for his murder.
The Respondent are directed to set aside the repudiation and reopen the case for consideration of case for accident benefits on receipt of final verdict of the Court

Late Kantilal H. Ranpara (DP) had proposed for Life Insurance Policy under Life Maker Premium Investment Plan on 27-03-2008. While processing the proposal, DP died on 20-04-2008 due to Cardio-Respiratory failure. At that time some requirement was remaining from the DP for completion of Proposal form.

Award dated 26-03-2010

Case No.21-017-0457-10

Mr. Ishwarbhai Vithalbhai Patel **Vs. Future Generally** Life Ins Co.

Life Insurance Policy

The claim had been repudiated by the Respondent alleging incorrect statement and withholdment of material information with regard to previous policies of the DLA, committed by her and proposer at the time of filling up the proposal form

After perusing documents on record read with the pleading of the parties it was revealed that the respective questions of proposal form regarding previous injury and sick leave was wrongly given.

It has also been considered that the repudiation decision having been communicated through the Respondent's letter dated 22.4.2009 in the case, the period that elapsed between the date of repudiation and date of affecting the contract is less than 2 years. Consequently the case does not get protection of the ennobling provision under section 45 of the Insurance Act, 1938.

Since non-disclosure was proved the case was dismissed

CASE NO.21-001-491-10
MRs. ARTI R. PAWAR
V/S
LIFE INSURANCE COFRPORATION OF INDIA

Award Date: 31.03.2010

Repudiation of Death claim stating that incorrect statements and withholdment of material information with regard to health history and habits of DLA at the time of filling proposal form as on 08.07.2006. DLA admitted to the hospital in the month of August 2000 & December 2000 for the treatment of Anterioseptal Myocardial Infarction with inferior wall ischemia. This fact was not shown in theproposal form filled in July 2006. The Respondent submitted set of papers alongwith evidences, it is established that though the section 45 of Insurance Act in the subject policy is in the favour of the DLA yet there is concrete documentary evidence on record to prove deliberate misstatement and suppression of material information by the DLA at the time of taking the insurance. The decision of Respondent is upheld without any relief to the complainant.

BHOPAL

Category -Repudiation of Death claim

Shri Suresh Chandra Chhajed……...……..Complainant
LIC of India . ……..……...…Respondent

Order No.BPL/LI 09-10/ 48
Case No. LI-59-24/05-09/IND
Order Dated 09.10.2009

Brief Background

Shri Suresh Chandra Chhajed, resident of Karhi Tah. Maheshwar Distt. Khargone (MP) lodged the complaint that his son Master Vipul was insured under policy no. 342651564 under plan no. 102-26 for Rs. 2.00 lakh on 28.12.2003 died on 15.12.2008 due to Asthma. Claim preferred by him repudiated by the respondent on the ground of non – disclosure of material fact.

Aggrieved from the action of the respondent the complainant lodged the complaint on 22.05.2009 seeking the direction for claim payment.

The Complainant presented himself and submitted that his son was quite O.K. at the time of taking the insurance and the claim is repudiated on personal bias. He has produced the affidavits of the teachers under whom he was studying stating that he was normal upto 15/16 and going to school on his own foot.

The Respondent represented by Manager (Claims), LIC, DO, Indore presented himself and submitted that the DLA was suffering from Paresis of Limbs since 4 years before the date of proposal and he was under treatment for the same by Doctor Shrenik Chhajed who is a Medical Officer PHC Karhi and also cousin brother of the complainant and also produced the notarized affidavit dated 20.04.2009 stating that DLA was suffering Paresis of Limbs for about last 10 years and develop Bronchial asthma for last two years.

FINDINGS & CONCLUSIONS:-

There is no doubt that he was insured under policy no. 342651564 under plan no. 102-26 for Rs. 2.00 lakh on 28.12.2003 died on 15.12.2008

The proposal form dated 25.12.2002 reveals no adverse health condition, further the insurance was taken under the agency of complainant. In the agent's report dated 11.01.2003 he has not disclosed the disease from which the DLA was suffering. Where as the affidavit of Dr. Shrenik Chhajed proves that DLA was suffering from Paresis of Limbs at the time of taking the insurance proves non disclosure of material facts.

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

In view of the above it is found that decision taken by the respondent to repudiate the claim is just & fair requires no intervention.

The complaint is dismissed without any relief.

Category – Repudiation of Death Claim

Smt. Ramvati Patel ..... Complainant

V/S

LIC of India, Jabalpur.....Respondent

Order No.BPL/LI/09-10/49 CASE NO. LI/295-21/01-09/JBP
Order Dated 15.10.2009

Brief Background

Smt. Ramvati Patel wife of Jagdish Patel (DLA) Resident of Rampur, Jabalpur (M.P.) complaint that her husband was insured under Pol. No. 371852755 under Plan 14 for Rs. 100000 for 10 years, on dt. 05-05-2006, died on 02-11-06, due to heart fail. Claim preferred by her repudiated by the Respondent on the ground of non-disclosure of material fact.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.02-02-09 to the Hon'ble ombudsman seeking direction to the respondent to make the payment of full Sum Assured.

The Complainant presents herself and submitted that her husband was employee of MPSEB and enjoying good health except cough and cold. He was never suffered from any serious disease. The claim is wrongly repudiated by the Respondent may directed to make payment of full amount of claim immediately.

The Respondent represented by Shri Sudhakar Mehta, Manager (Claims) Jabalpur submitted the policy was issued on 05.05.2006. DLA died on 02.11.2006, within 6 months from the date of commencement. Being a early death claim investigation was conducted, which reveals that the DLA was a patient of heart disease and chronic renal failure availed treatment for the same at MPSEB hospital during the period 12.05.2003 to 19.05.2003 and submitted the copies of treatment papers issued by the above hospital, which proves that the DLA was under the treatment for the above disease.

DLA did not disclosed the facts about his illness and the treatment availed by him in reply of Q.NOS. 11 (a) to 11 (j) of proposal form. Had he mentioned the same, the underwriting decision would have been different. Further the certificate of hospital treatment issued on 01.11.2007 by the Medical Officer of MPSEB hospital, Jabalpur also confirms that DLA has availed treatment for ischemic heart disease and chronic renal failure as OPD w.e.f from 12.05.2003. Hence the decision taken to repudiate the liability of claim is just and fair and the complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that policy no. 371852755 was issued to the DLA for SA of RS. 100000/- for 10 years term under Plan 14 i.e. Endowment Plan.

The Hospital records submitted proves that the DLA was under the treatment since 12-05-2003 for ischemic heart disease and chronic renal failure. It is also evident from the proposal form dated 29.04.2006 that DLA failed to disclosed the treatment he availed for heart disease and chronic renal failure prior to the date of proposal. The death has also occurred due heart failure.

Insurance is a contract of UTMOST GOOD FAITH; both the parties to the contract are expected to reveal all material fact only. Any suppression of material fact on either side vitiates the contract ab-initio.

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

The complaint is dismissed without any relief.

Category – Repudiation of Death Claim

Shri Shyam Sunder Mishra ..... Complainant

V/S

LIC of India, Jabalpur.....Respondent

Order No.BPL/LI/09-10/50 CASE NO. LI/305-20/02-09/JBP
Order Dated 15.10.2009

Brief Background

Shri Shyam Sunder Mishra, Resident of Kotma, Dist. Anuppur (M.P.) complaint that his wife late Smt. Sumitra Devi (DLA) insured under Pol. No. 373444464 under Plan 174 for Rs. 40000/- for 12 years, with quarterly mode of payment on dt. 28-03-2006, died on 20-09-07, due to cardiac respiratory arrest. Claim preferred by him repudiated by the Respondent on the ground of non-disclosure of material fact.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.02-02-09 to the Hon'ble ombudsman seeking direction to the Respondent to pay full Sum Assured.

The Complainant was not present despite our letter dtd.15-09-09 intimating date of hearing at Jabalpur. As per form P-II he admitted that his agent has collected premiums regularly but paid four Qly instalments at a time and revived the policy on dt. 04-05-2007 by submitting forged declaration of good health and medical reports. Actually his wife was under the treatment at Jamdar hospital for Multiple Mycloma Convalsion ARF & other Heart disease during the period 17-03-2007 to 20-05-2007 Prior to that she was quite healthy. He has also mentioned t he above facts in claim form. The agent has played the mischief and he should be penalized instead of me.

The Respondent represented by Shri Sudhakar Mehta, Manager (Claims) Jabalpur submitted the policy was issued on 28.03.2006. The subsequent premiums due from June 2006 to March 2007 paid on dt. 04-05-2007 and revived the policy by submitting DGH dated 20-04-2007 and Medical Report dated 03-05-2007. DLA died on 20-09-2007, within 5 months from the date of revival. Being a early death claim investigation was conducted, which reveals that the DLA was under the treatment for Multiple Mycloma Convalsion ARF & other Heart disease during the period 17-03-2007 to 20-05-2007 which proves that the DLA was under the treatment for the above disease on the date of revival. Where as DGH and Medical report does not reveals any adverse about the health of DLA, the basis on which the policy was revived. The Complainant statement in F.No. 3783 i.e. Claimant statement and Medical Attendent Certificate Claim Form B in F.Nos. 3784 also confirms the above facts. Hence it is a clear case of Non-Disclosure of Material Facts and rightly repudiated. The complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that policy no. 371852755 was issued to the DLA for SA of RS. 40000/- and revived on 04-05-2007 on the basis of DGH & Medical Report dated 03-05-2007. The Hospital records submitted proves that the DLA was under the treatment during the period from 17-03-2007 to 20-05-2007 for Multiple Mycloma Convalsion ARF. It is also observed from the DGH and Medical Report that the DLA has failed to disclose the above treatment. The death of DLA has occurred due to cardiac respiratory arrest.

Insurance is a contract of UTMOST GOOD FAITH; both the parties to the contract are expected to reveal all material fact only. Any suppression of material fact on either side vitiates the contract ab-initio.

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

The complaint is dismissed without any relief.

Category – Repudiation of Death Claim

Smt. Shyama Bai Pandey ..... Complainant

V/S

LIC of India, Jabalpur.....Respondent

Order No.BPL/LI/09-10/51 CASE NO. LI/314-20/02-09/JBP
Order dated 16.10.2009

Brief Background

Smt. Shyamabai Pandey, Resident of Dharwada, Dist. Katni (M.P.) complaint that her husband late Shri Brij Bihari Pandey (DLA) insured under Pol. No. 372657464 under Plan 155 for Rs. 100000/- for 15 years, with yearly mode of payment on dt. 28-12-2002, died on 27-02-05, due to paralysis and brain hemorrhage. Claim preferred by him repudiated by the Respondent on the ground of non-disclosure of material fact in proposal form.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.16-02-09 to the Hon'ble ombudsman seeking direction to the Respondent to pay full Sum Assured.

The Complainant was present herself and submitted that her husband was insured under the above policy and the policy was in force till the date of his hence she is entitled for Rs.100000/- plus bonus. The Respondent has wrongly refused the payment under the plea non-disclosure of material fact on dt. 10-03-2006. Actually her husband was Samiti Prabandhak of a society and enjoying good health. Medical was also done at the time of taking insurance which not reveals anything adverse. The respondent may be directed to pay full Sum Assured of the above policy. The statement given by the brother of DLA while admitting him in the hospital for the treatment of paralysis on dt. 18-02-05 that Cardiac Valve Replacement, 4 years ago, is not correct and given with malafied intention.

The Respondent represented by Shri Sudhakar Mehta, Manager (Claims) Jabalpur submitted the policy was issued on 28.12.2002. The subsequent premium due on 28-12-2003 was not paid and revived policy 11-09-2004. DLA died on 27-02-2005, i.e. within six months from the date of revival and 26 months from the date of policy. Being early death claim investigation was conducted, which reveals that the DLA was operated for valver replacement four years ago, which he did not disclosed while filling in the proposal form on dt. 10-02-2003 in reply of Q.NOS. 11 (A) to 11 (J). As

evident from Form No. 3784 and 3816 signed by Dr. M.S. Johri, Neuro Physician on 08-08-2005. The Valve replacement was performed prior to the date proposal from proves Supression of Material Facts, if the same had been disclosed by the DLA the underwriting would have been different. Hence the claim is rightly repudiated. The Complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that policy no. 372657464 was issued to the DLA for SA of RS. 100000/- and revived on 11-09-2004. The Hospital records submitted shows that the DLA was treated for valve replacement four years ago as per the statement of brother of DLA recorded at the time of admission in the hospital on dt. 18-02-2005 for the treatment of paralysis. On enquiry with the Respondent whether have you collected any evidence from the hospital from where the above operation was perfomed ? The Respondent replied "NO". The Claimant was asked where, When & by Whom the operation was performed ? But they also could not provide any information. The claim is repudiated by the Respondent on dt. 10-03-2006 i.e. after 3 years for the date of commencement of policy without having substantiate and indisputable proof is unjustified. The complainant is having a liability of four children. The DLA has paid 3 yearly premiums @ Rs. 11179/-.

In view of the above it is found that complaints may be paid Rs. 50000/- on exgratia basis.

The Respondent is directed to pay Rs. 50000/-within 15 days from the date of receipt of this order, failing to which interest will be payable @9%.

Category – Repudiation of Death Claim

Smt. Suman Lata Dubey ..... Complainant

V/S

LIC of India, Jabalpur.....Respondent

Order No.BPL/LI/09-10/52 CASE NO. LI/105-21/06-09/JBP
Order dated 19.10.2009

Brief Background

Smt. Suman Dubey, Resident of Malara, Dist. Jabalpur (M.P.) complaint that her husband late Shri Ratankumar Dubey (DLA) insured under Pol. No.

37338670 under Plan 14 for Rs. 200000/- for 20 years, with yearly mode of payment on dt. 14-08-2006, died on 28-09-07, due to fever. Claim preferred by her repudiated by the Respondent on the ground of non-disclosure of material fact in proposal form.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.24-06-09 to the Hon'ble ombudsman seeking direction to the Respondent to pay full Sum Assured.

The Complainant was present herself and submitted that her husband was insured under two policies each of Rs. 200000/- out of which under one policy insurance benefit was granted her, where as in the above policy benefit is rejected under the plea NON DISCLOSURE of material fact i.e. Previous insurance particulars; proposed one prior to the date of proposal. In fact by husband has proposed for first insurance on 10.08.06, which came to the knowledge of other agent Mr. Pande, who belongs to our community and relative insisted to give him insurance and got signed proposal form forcefully on 11-08-2006. The agent was knowing that he had already proposed insurance on 10-08-2006 then it was the duty of the Agent to disclose the facts who has filled in the proposal form and got in signed by the DLA on dt. 11.08.2006. Actually it was a mistake of agent for which she should not be penalized. My husband had signed the proposal form in good faith and he had not with held any material information knowingly. The Respondent may be directed to make full payment of insurance benefit under the above policy.

The Respondent represented by Shri Sudhakar Mehta, Manager (Claims) Jabalpur submitted being a early death claim investigation was conducted which reveals that two policies were issued bearing Pol. Nos. 373308670 & 373492994 each of Rs.200000/- the DLA out of which first proposal was signed on 10-08-2006 and resulted into policy no. 373492994 on 14-08-2006 and the another one was signed on 11-08-2006 and resulted into policy no. 373492994 on 14-08-2006. Both policies were issued on 14-08-2006 under different agency and by the different branch to deceive the Respondent and avoid medical reports and other special reports. If the DLA had disclosed the above information in the proposal form signed subsequently on 11.08.2006, medical report and special reports viz. ECG, BST, LIPIDOGRAM, RUA, HEMOGRAM AND ELISA would have been called for. The underwriting decision would have been different. However taking a lenient view we have paid the benefit of Rs. 200000/- under policy no. 373492994 being a first proposal. Hence the claim under second policy no. 373308670 is rightly repudiated by the respondent. The complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policies were issued to the DLA for SA of Rs. 200000/- each. It is also observed that policies were issued on 14-08-2006 by the different Branch Offices under different agency. The cause of death is fever. The Respondent has admitted the liability under one of the policy which was qualifying for non medical scheme. The proposal form for 2nd policy was signed on 11-08-2006 in which the DLA has failed to disclose the facts about the insurance that he has proposed on 10-08-2006. If the same had been disclosed the special reports and other requirements would have been called for which might have affect the underwriting decision. The insurance is a contract of utmost good faith. Bothe the parties are expected to reveal all the material information to each other, failing of which will vitiate the contract ab-initio.

The respondent has admitted liability in one policy and paid Rs. 200000/- to the complainant.

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

The complaint is dismissed without any relief.

Category –Repudiation of Death Claim

Smt. Janki Bai Thakur ..... Complainant

V/S

LIC of India, Jabalpur.....Respondent

Order No.BPL/LI/09-10/53 CASE NO. LI/297-21/01-09/JBP
Order dated 19.10.2009

Brief Background

Smt. Janki Bai Thakur, Resident of Khojakhedi Teh. Pathariaya Dist. Damoh (M.P.) complaint that her husband late Shri Nirbhay Singh Thakur (DLA) insured under Pol. No. 371704811 and 371704821 each of Rs. 100000/- and 0.50m lakh under Plan 106-15 w.e.f 28.02.2004, died on 10.01.07, due to chest pain. Claim preferred by her repudiated by the Respondent on the ground of non disclosure of material fact in proposal form.

Aggrieved from the action of respondent Complainant has lodged the complaint on dt.02-02-09 to the Hon'ble ombudsman seeking direction to the Respondent to pay full Sum Assured.
The Complainant was not present herself and submitted that her husband was employee of MPSEB and he was enjoying good health & he has never availed medical treatment for any disease. The benefit is wrongly denied by the respondent may be directed to make full payment of SA.

The Respondent represented by Shri Sudhakar Mehta, Manager (Claims) Jabalpur submitted being a early death claim occurred within 3 years from the date of commencement of the policy investigation was conducted which reveals that the DLA was suffering from **Intestine obstruction** since 12-04-1998 which he has not disclosed in the proposal form dtd. 15.02.2004 for the above insurance. The DLA had total 5 insurance policies out of which under three policies death claim benefit has already been paid being a non-early death claim, whereas under the above policies the benefit is repudiated due to non disclosure of material fact. The copy of the proposal form dated 15-02-2004 reveals that he has failed to disclose the treatment taken by him during the period 12-04-1998 to 26-04-1998. The Ashish Nursing Home, Jabalpur clearly mentioned that the DLA was suffering from **Intestine obstruction since last 10 years** and submitted the copies of treatment papers. If the DLA has disclosed the above facts while filling in the proposal form on 15-02-2004 underwriting decision would have been different. Hence the complaint may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policies were issued to the DLA for SA of Rs. 1.5 lakh. The DLA died due to chest pain on 10.01.07. The proposal forms dated 15.02.2004 does not reveals any adverse information regarding his health. Whereas the treatment papers of Ashish Nursing Home, Jabalpur clearly state that the DLA was under treatment for **Intestine obstructions** since 12-04-1998, which proves non disclosure of material fact.

The Insurance is a contract of UTMOST GOOD FAITH. Both the parties are expected to reveal all material information to each other, failing of which will vitiate the contract ab-initio.

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

The complaint is dismissed without any relief.

Category - REPUDIATION OF CLAIM

Smt. Sagar Bai ……..……..……..Complainant
LIC of India . ……..……...…Respondent

Case No : LI-115-24/07-08
Order dated 09.10.2009

Brief Background

Smt. Sagar Bai, resident of Indore (MP) lodged the complaint that her husband Late Shri Balram Jhanjot was insured under policy no. 342969206 on 28.03.2002 for Rs. 50,000/- under plan 14-19, died on 18.12.2006 due to low blood pressure, claimed prefer by her repudiated by the respondent on 05.04.2008 on the ground of understatement of age and non disclosure of material fact.

Aggrieved from the action of the respondent the complainant lodged the complaint on 20.07.2009 seeking the direction for payment of full Sum Assured with bonus.

The Complainant present herself and submitted that her husband was serving as Sweeper in Municipal Corporation, Indore, he opt for Volunteer Retirement on Medical Ground w.e.f. 01.05.2001 for the employment of his only son in his place and he died due to low blood pressure on 18.12.2006. The policy was in-force at the time of death. The policy is wrongly repudiated by the respondent.

The Respondent represented by Smt. Sunita Gautam, AO (Claims), LIC,DO,Indore presented that the proposal was made on 28.03.2002 for the insurance wherein he has submitted declaration of good health stating his age as 46 instead of age 52 years. Moreover, he has opted for voluntary retirement on health ground in May 2001 whereas, in the proposal form he has not mentioned anything adverse about his health, she submitted the copy of VRS letter opted by the DLA. As per the voter identity card issued by Election Commission of India, his age is comes to 52 as on the date of proposal. The policy was revived on 24.04.2004 and DLA died on 18.12.2006 i.e. within 3 years from the date of revival. Being an early death claim investigation was conducted which has revealed the above facts. Hence the claim is rightly repudiated.

FINDINGS & CONCLUSIONS:-

There is no doubt that the DLA was insured under policy no. 342969206 from 28.03.2002 for Rs. 50,000/- under plan 14-19 and he died on 18.12.2006 due to low blood pressure. It is also proved that he has shown his age as 46 instead of 52. The medical report dated 28.03.2002 does not reveal any adverse condition regarding the health of DLA. Further, the medical report dated 01.04.2004 also does not reveal any adverse condition of DLA. The revival was also accepted by the respondent and further premiums up to September 2006 were paid. The policy was accepted with an extra premium of Rs.1.77 per thousand SA to compensate understatement of age.

In view of the above, I am of the considered opinion that the respondent action repudiating the full amount of death claim is un-justified. Hence, the respondent is directed to pay the Rs. 50,000/- on ex-gratia basis on humanitarian ground within 15 days from the date of receipt of this order, failing to which payment of interest @ 9% will be payable.

Category - Repudiation of death claim

Shri Arjun Singh Panwar ……..……..…….Complainant
LIC of India . ……..……..…Respondent

Order No.BPL/LI 09-10/ 46
Case No. LI-316-23/02-09/IND
Order dated 09.10.2009

Brief Background

Shri Arjun Singh Panwar, resident of Ujjain (MP) lodged the complaint that his son Late Shri Mahendrapal Singh Panwar was insured under policy no. 344386359 for SA Rs. 30000/- under plan & term 91-16 on 28.08.2004. He died on 18.11.2005 due to burn. Accident benefit preferred by the complainant repudiated by the respondent on the ground that it is not an accident.

Aggrieved from the action of the respondent the complainant lodged the complaint on 21.01.2009 seeking the direction for the payment of accident benefit.

The Complainant did not present himself ex-party hearing were conducted.

The respondent represented by Mr. V.K. Goyal, Manager (Claims), LIC,DO,Indore submitted that the basic SA for death benefit has already been paid to the claimant, being a early death claim investigation were conducted which reveals that the DLA was living alone and commit suicide by self burning due to frustration and submitted a copy of final investigation report conducted by Police Authority which also support the above facts.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy no. 344386359 for SA Rs. 30000/- under plan & term 91-16 issued to DLA on 28.08.2004 and he died on 18.11.2005 due to burn. Basic SA has also been paid by the respondent. The investigation conducted by Police Authority clearly states that the DLA was living alone and died due to burn. It also confirms that no evidence of crime was available which proves that he commit suicide.

Under the circumstances, I am of the considered opinion that the accident benefit under the said policy is not payable. The decision taken by the respondent is just & fair requires no intervention.

The complaint is dismissed without any relief.

Category - REPUDIATION OF DEATH CLAIM

Order No.BPL/LI 09-10/ 58
Case No. LI-169-24/08-09/Mum
Order dated 13.11.2009

Smt. Kusum Rathore……..……..Complainant
Birla Sun Life Ins. . ……..……..…Respondent

Brief Background

Smt. Kusum Rathore, resident of Balakwada Distt. Khargone (MP) lodged the complaint that her son Tej Karan Rathore was insured under policy no. 002126806 under dream plan for SA of Rs. 163135.00 on 09.10.2008 died on 08.03.2009 due to Road Accident. Claim preferred by her repudiated by the respondent on the ground of non – disclosure of material fact.

Aggrieved from the action of the respondent the complainant lodged the complaint on 31.08.2009 seeking the direction for claim payment.

The Complainant not presented herself and also not submitted p2, p3 forms called from her on 31.08.2009 and followed by the reminders. On telephonic intimation to the complainant for hearing date, it was informed by the complainant that they are not able to attend the hearing due to filing of suit with consumer forum.

The Respondent has also not presented.

FINDINGS & CONCLUSIONS:-

Since the complainant has gone to Consumer Forum, hence the complaint is dismissed without any relief.

Order No.BPL/LI 09-10/ 66
Case No. Tata-97-21/06-09/MUM

Shri Gaurang Pal ……..……..……..Complainant
TATA Life Ins.……..……..……..…Respondent

Brief Background – REPUDIATION OF DEATH CLAIM

Shri Gaurang Pal, resident of Korba(C.G.) lodged the complaint that his son Late Shri Jayanta Kumar Pal was insured under the Invest assure flexy plan, Policy No. U003532892 for S.A. of

Rs. 3.00 lacs on 07.05.2008. He died on 30th June 2008. Claim preferred by complainant repudiated by the respondent on the ground of suppression of material fact i.e. history of rheumatic heart disease with mitral value replacement and rheumatic arthritis and prophylactic treatment; prior to date of proposal. The respondent refunded Rs. 40,082.57/- instead of full S.A. Rs. 3.00 lakhs.

Aggrieved from the action of the respondent the complainant lodged the complaint on 01.06.2009 seeking the direction for full sum assured amount.

The Complainant represented by Mr. Gaurang Pal, DLA's father submitted that the agent was his roommate and living together since long and he well knowing all the facts regarding his health. However, while filling in the proposal form he has not mentioned the same. At the time of proposal my son was enjoying good health despite the valve replacement in the year 1986. He completed his study up to B.Sc. and thereafter he completed his MBA and working as I.T. Professional with renowned company at Pune. All of a sudden he had a problem and died within a short period. Actually, there was no any intention to hide the above facts.

The Respondent represented by Ms. Swapna Korde, Branch Operation Manager, Bhopal submitted that it is a admitted facts that there was an operation of heart valve replacement in the year 1986, which is a major operation, the DLA has not disclosed the same while filling in the proposal form on 05.05.2008. Immediately thereafter within two months he died. Being a early death claim, investigation was conducted which reveals the DLA was suffering from rheumatic heart disease with mitral value replacement and rheumatic arthritis and prophylactic, which he did not disclosed in reply of Q.No. 5(f),(k) and 8 of the proposal form. If he had revealed the same, the underwriting decision would have been different and medical and special medical report would have been called for. However, we have also refunded the amount of Rs. 40, 082.57 being a fund value on the date of death which the claimant has not accepted.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to complainant for SA of Rs. 3.00 lakhs and he died on 30th June 2008 within 2 months of the proposal date. It is also proved that DLA has not submitted that he has a history of rheumatic heart disease with mitral value replacement and rheumatic arthritis and prophylactic while filling Q.No. 5(f),(k) and 8 of the proposal form.

Insurance is a contract of utmost good faith, both the parties are expected to reveal all the material facts, any mis-representation on either side vitiates the contract ab-initio.

In view of the above respondents' decision is just & fair requires no intervention. However, respondent is advised to refund the fund value of Rs. 40,082.57/- to the complainant within 15 days from the date of receipt of this order, failing to which interest @ 9% will be payable.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 68
Case No. LIC-194-21/09-09/STN

Shri Raj Bahadur Kushwaha……..……..……..……..Complainant
Life Insurance Corporation of India…….……..…Respondent

Brief Background – REPUDIATION OF DEATH CLAIM

Shri Raj Bahadur Kushwaha, resident of Distt. Panna (M.P.) lodged the complaint that his wife Late Smt. Suman Kushwaha, (DLA) was insured under the Policy No. 376975784 under Plan & Term 179-12 for S.A. of Rs.50,000/- with date of commencement on 28.07.2007. She died on 23.09.2008 due to burn injury. Claim preferred by complainant repudiated by the respondent due to operative of clause-IV-B.

Aggrieved from the action of the respondent the complainant lodged the complaint on 22.09.2009 seeking the direction for full sum assured amount.

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

The Respondent represented by Shri R.K.Mishra, Manager(Claims), Satna submitted that the proposal form was signed by the DLA on 28.07.2007. She was issued the policy with clause – IV-B which narrates that if, death has occurred due to suicide, attempted to suicide or murder other than public place within 03 years from the date of commencement of the policy, the liability of the respondent will be limited to refund of premium without interest. In this case the DLA died due to Septicemia shock, ante-mortem burn injury all over body within 01 year, 01 month and 25 days from the date of commencement of policy. As per the FIR and the statement of complainant, the deceased died from burning at her house. Hence the claim is repudiated. On further inquiry by the Ombudsman regarding to show the consent of DLA for clause-IV-B, imposed on the policy document. The respondent could not produced the same.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to complainant for SA of Rs. 50000/- and she died on 23.09.2008. It is proved that DLA's death has occurred due to burning at her house. It is also confirmed that clause-IV-B was operative at the time of death, but the respondent failed to produce the consent of the DLA for the same, which proves unilateral decision of the respondent.

In view of the above, the decision taken by the respondent is not just & fair.

Therefore, the respondent is hereby directed to pay full Sum Assured with bonus if any, with panel interest within 15 days from the date of receipt of this order, failing of which further interest @ 9% will be payable.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 71
Case No. LIC-139-21/07-09/JBP

Smt. Swarnlata Sharma …….Complainant
Life Insurance Corporation of India, JBP ……..…Respondent

Brief Background – Repudiation of death claim

Smt. Swarnlata Sharma resident of Bamhani Distt. Chhindwara (M.P.) lodged the complaint that her husband late Shri Ramesh Kumar Sharma was insured under the Policy No. 373245106 under Plan & Term 75-20 for S.A. of Rs.1.00 lakh on 28.03.2005. He died on 14.04.2008 due to chest pain. Claim preferred by complainant repudiated by the respondent on the ground of non disclosure of material fact at the time of revival of the policy on date 07.12.2007.

Aggrieved from the action of the respondent the complainant lodged the complaint on 27.07.2009 seeking the direction to pay the full sum assured amount including bonus.

The Complainant presents herself and submitted that her husband was enjoying good health and died due to chest pain. He was insured under the policy in March 2005. He was Secretary in Panchayat at Singhodi. He was operated for piles in May 2007 since then he has no any complaint for his health and died suddenly due to chest pain. Hence the claim may be paid with interest.

The Respondent represented by Shri Sudhakar Mehta,Manager(Claims), Jabalpur submitted that the policy was in lapsed condition and revived on 07.12.2007 on the ground of declaration of good health. The DLA died on 14.04.2008 within six months from the date of revival. Being an early death claim investigation was conducted which reveals that the DLA has availed sick leave for the period from 30.05.2007 to 30.06.2007 for the operation of piles did not show at the time of revival on 07.12.2007 in the declaration of good health submitted by him, on the basis of which the revival has been approved. Had he mentioned the same, the underwriting decision would have been different and some special reports would have been called for. On further inquiry by the ombudsman regarding nexus with cause of death he replied that there is no nexus.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above Policy No. 373245106 under Plan & Term 75-20 for S.A. of Rs.1.00 lakh on 28.03.2005 and revived on 07.12.2007 on the ground of declaration of good health. The DLA died on 14.04.2008 due to chest pain, within six months from the date of revival. The revival is a renewal of the contract, hence all the conditions apply a fresh. From the DGH form completed by the DLA, it proves that he has not mentioned the leave availed by him for medical treatment. However, the death is occurred due to chest pain, has no nexus with the disease of the DLA. I am therefore of the considered opinion that the decision taken by the respondent is not just & fair.

The respondent is directed to pay Rs. 50,000/- on compensatory ground on ex-gratia basis within 15 days from the date of receipt of this order, failing to which further interest @ 9% will be payable.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 73
Case No. LIC-172-21/08-09/JBP

Smt. Ashok Rani ……..……..Complainant
Life Insurance Corporation of India, JBP ……..…Respondent

Brief Background - Repudiation of death claim

Smt. Ashok Rani w/o Shri Mangu Singh (DLA) resident of Ghatera Post Jabera Distt. Damoh (M.P.) lodged the complaint that her husband late Shri Mangu Singh was insured under the Policy No. 355247441 under Plan & Term 179-20 for S.A. of Rs.80,000/- on 28.04.2008. He died on 30.10.2008 due to cancer. Claim preferred by complainant repudiated by the respondent on the ground of suppression of material fact (mouth cancer).

Aggrieved from the action of the respondent the complainant lodged the complaint on 31.08.2009 seeking the direction to pay the full sum assured amount.

The Complainant represented by Shri Daulat Singh and submitted that DLA was enjoying good health at the time of taking the insurance. The claim is wrongly repudiated on the false ground. Full Sum Assured is payable to the complainant.

The Respondent represented by Shri Sudhakar Mehta, Manager(Claims), Jabalpur submitted that being an early death claim investigation was conducted which reveals that the DLA was suffering from mouth cancer prior to the date of proposal form, which he did not disclosed in reply of our Q.No.11 (k) to 11(d) and 11 (z) of proposal form. He further submitted copies of treatment taken by him for mouth cancer. He produced a certificate of Dr. Rajesh Sahu, ENT & Cancer Surgeon, Damoh of dated 28.08.2006 wherein it is revealed that DLA was suffering from

Ulcers over tongue since 6 months and lucoplukia over tongue, which proved he was suffering from mouth cancer since 28.08.2006, which he did not disclosed, if had he disclosed the same in the proposal form, the underwriting decision taken by the respondent would have been different.
Hence, the decision taken to repudiate the claim is just & fair.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above Policy No. 355247441 under Plan & Term 179-20 for S.A. of Rs.80,000/- on 28.04.2008. He died on 30.10.2008 due to cancer. The proposal form does not reveal any ailments from which the DLA was suffering. Dr. Rajesh Sahu's certificate proves that DLA was suffering from mouth cancer since 28.08.2006 prior to the date of proposal form, which he suppressed in the proposal form. Insurance is a contract of utmost good faith; both the parties to the contract are expected to reveal all the material facts, failure of which vitiate the contract ab-initio.

Hence, it is found that the decision taken by the respondent is just & fair, requires no intervention.

The complaint is dismissed without any relief.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 74
Case No. LIC-195-21/09-09/JBP

Smt. Shanti Bai Uike ……..Complainant
Life Insurance Corporation of India, JBP ……..…Respondent

Brief Background - Repudiation of death claim

Smt. Shanti Bai Uike w/o Shri Baisakhu Lal (DLA) resident of Pondi, Bandol Distt. Seoni (M.P.) lodged the complaint that her husband late Shri Baisakhu lal was insured under the following 07 Policies :-

	Policy no.	Plan & Term	SA	Date of commencement
1.	301326727	188/15	75000	10.11.2007
2.	301331953	181/10	10000	14.10.2008
3.	301328881	188/15	75000	12.12.2007
4.	371496861	179/12	1.00 lakh	10.11.2007
5.	371497046	14/10	1.00 lakh	28.06.2008
6.	371496123	149/15	1.25 lakh	20.06.2006

7. 371496422 106/15 75000 20.09.2006

He died on 26.11.2008 due to fever. Claim preferred by complainant repudiated by the respondent on the ground of suppression of material fact.

Aggrieved from the action of the respondent the complainant lodged the complaint on 14.09.2009 seeking the direction to pay the full sum assured amount.

The Complainant represented by her son Shri Surendra Kumar and submitted that DLA was enjoying good health at the time of taking the insurance and working as lineman in M.P.S.E.B at Kurai, died all of a sudden. Premiums were paid regularly from his salary. The claim is wrongly repudiated by the company. She claimed full Sum Assured amount under the above policies.

The Respondent represented by Shri Sudhakar Mehta, Manager(Claims), Jabalpur submitted that the DLA was working as lineman in MPSEB at Kurai having an annual income about 1.50 lakh p.a. Claimant has claimed for total 12 policies wherein the total premium payable is around Rs. 1.05 lakh p.a. which is normally a beyond capacity a person like him. Out of 12 policies under 05 policies claim has already paid, whereas under above 07 policies claim is repudiated due to non disclosure of material fact. Being a early death claim investigation was conducted which reveals that the DLA was suffering from diabetes mellitus from 18.05.2001 as per the hospital record of MPEB Hospital Rampur, Jabalpur. Moreover, the DLA has also availed treatment from Jindal Hospital on 19.05.2006 prior to taking the insurance policies, which reveals the DLA was suffering from diabetes. The DLA has also not given previous policy reference while taking the new policies, if had he mentioned the same the medical report would have been called for and underwriting decision would have been changed.

Hence, the decision taken to repudiate the claim is just & fair and the complaint may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above Policies were issued to the complainant. The proposal form sign by the DLA does not reveal any adverse about his health and also not given the particulars of previous policies. The hospital records prove that he was suffering with the diabetes since 19.06.2006 prior to the date of proposal. If the same has been disclosed in the proposal form the underwriting decision would have been changed. Insurance is a contract of utmost good faith; both the parties to the contract are expected to reveal all the material facts, failure of which vitiates the contract ab-initio.

In view of the above, it is found that the decision taken by the respondent is just & faire, requires no intervention.

The complaint is dismissed without any relief.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 76
Case No. LIC-190-21/09-09/STN

Smt. Anjana Singh……..……..……..……..Complainant
Life Insurance Corporation of India, STN ……..…Respondent

Brief Background - Repudiation of death claim

Smt. Anjana Singh w/o Shri Ravindra Singh (DLA) resident of Gram Bara, Post Domhai Distt. Satna (M.P.) lodged the complaint that her husband late Shri Ravindra Singh was insured under the policy no. 376367278 for Rs. 1.00 lakh under plan no. 75-20 on 20.03.2006 and policy no 376837707 for Rs. 1.00 lakh under plan no. 14-16 on 28.06.2007. He died on 11.06.2008 due to Heart Attack. Claim preferred by complainant, repudiated by the respondent on the ground of suppression of material fact at the time of revival of the policy.

Aggrieved from the action of the respondent the complainant lodged the complaint on 31.08.2009 seeking the direction to pay the full sum assured amount.

The Complainant did not present herself despite our letter dated 03.11.2009. Ex-party hearing was conducted.

The Respondent represented by Shri R.K. Mishra, Manager(Claims), Satna submitted that being an early death claim investigation were conducted which reveals that the DLA was employee of Universal Cables Ltd. Satna and working as Franklift driver. The investigation reveals that the DLA was suffering from CVA, Convulsion, Kochis, Asthama, Ihd, Hypertension, CCF, Diabetes, Hypo Hyper Thyroidism Jaundice, Pus, Abdominal Surgery, Bleeding Rash, Steroid Intake etc. the policy no. 876367278 was revived on 14.01.2008 on the basis of declaration of good health wherein he did not disclosed the above facts. Moreover he has also availed the sick leave from 16.05.2006 to 22.05.2006 and 15.11.2006 to 04.12.2006 and 26.8.2006 to 02.09.2006 on medical ground. If the above facts had been disclosed at the time of taking the insurance policy and at the time of revival the underwriting decision would have been different. It is a clear case of suppression of material fact, hence we have no alternate except to repudiate the liability under the above policies.

FINDINGS & CONCLUSIONS:-

There is no doubt that the DLA was insured under the policy no. 376367278 for Rs. 1.00 lakh under plan no. 75-20 on 20.03.2006 and policy no 376837707 for Rs. 1.00 lakh under plan no. 14-16 on 28.06.2007. He died on 11.06.2008 due to Heart Attack.
It is also proved that the DLA was suffering from CVA, Convulsion, Kochis, Asthama, Ihd, Hypertension, CCF, Diabetes, Hypo Hyper Thyroidism Jaundice, Pus, Abdominal Surgery, Bleeding Rash, Steroid Intake etc. The policy no. 876367278 was revived on 14.01.2008 on the

basis of declaration of good health wherein he suppressed the above facts. The employer's leave record confirmed that he has availed leave on sickness ground and also availed benefit from ESI.

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

In view of the above, it is found opinion that the decision taken by the respondent is just & fair and requires no intervention.

The complaint is dismissed without any relief.

Dated at BHOPAL, on 30th of NOVEMBER 2009.

Order No.BPL/LI 09-10/ 78
Case No. LIC-376-24/03-09/Blspur

Smt. Bimla Bai ……..……..……..Complainant
Life Insurance Corporation of India, Bilaspur ……..…Respondent

Brief Background - Repudiation of death claim

Smt. Bimla Bai w/o Late Shri Kanyalal Mazwar (DLA) resident of Korba Distt. Korba (C.G.) lodged the complaint that her husband late Shri Kanayalal Mazwar was insured under the policy nos. as under:-

1)	382144817	SA-50000/-	DOC-15.09.2001
2)	382792517	SA-40000/-	DOC-28.10.2002
3)	382554287	SA-50000/-	DOC-28.06.2003
4)	382561076	SA-50000/-	DOC-28.03.2004

He was employee of MPSEB, Korba and premium were deducted from his salary and remitted by his employer regularly. Last premium was deducted in Oct. 2005 and remitted to the respondent and the same was adjusted towards the premium. The DLA died on 15.11.2005. Claim preferred by complainant, repudiated by the respondent on the ground of that the policy was under the lapsed condition since there were more than 06 months premium gap.

Aggrieved from the action of the respondent the complainant lodged the complaint on 21.04.2009 seeking the direction to pay the full sum assured amount.

The Complainant present herself and submitted that her husband being a employee of MPSEB, his premium were deducted from his salary by his employer and remitted to the respondent, last

premium was deducted from his salary in Oct. 2005 and the same was adjusted by the respondent hence the policy was in-force condition, despite of that the respondent is searching from his responsibility to make the payment. The respondent has never informed about the gap in premiums. Had he informed the same we would have made the payment for the same. The respondent should recover the outstanding premium from the claim amount and make balance payment.

The Respondent represented by Shri Agarwal, Manager (CRM), Bilaspur submitted that there were 17 monthly premiums gaps in policy no 382144817 and 16 gaps in policy no. 382792517 and 15 gaps in the policy no. 382554287 and 10 gaps in the policy no. 382561076. Hence as per the rules of the corporation the policy were in lapsed condition, even after shifting back the gaps premium the policies were not acquiring paid-up value, we have repudiated the claim. He also submitted a letter from the employer stating that there were a default of 11 monthly premiums gap due to the absenteeism of the DLA on loss of pay.

FINDINGS & CONCLUSIONS:-

There is no doubt that the DLA was insured under the above policies. It is also proved that the DLA died on 15.11.2005 and the last premium was paid for the month of Oct. 2005. Since, the premium were adjusted by the respondent despite the gap of premiums more than 06 months and there were no intimation was given to the DLA for the default of premium, I am of the considered opinion that the decision taken by the respondent to repudiate the liability is not fair and just.

The respondent is directed to pay full Sum Assured Rs. 1.90 lakh plus Bonus under the above policies after deducting the outstanding premium within 15 days from the date of receipt of this order, failing to which interest @ 9% will be payable.

Dated at BHOPAL, on 17th of DECEMBER 2009.

Order No.BPL/LI 09-10/ 79
Case No. LIC-114-24/07-09/Blspur

Ms. Sandhya Pandey ……..……..……..……..Complainant
Life Insurance Corporation of India, Bilaspur ……..…Respondent

Brief Background – Repudiation of Death claim

Ms. Sandhya Pandey d/o Late Shri Dinesh Kumar Pandey (DLA) resident of Korba Distt. Korba (C.G.) lodged the complaint that her father late Shri Dinesh Kumar Pandey was insured under the policy nos. as under:-

1) 381649443 SA-30000/- DOC-28.11.1999
2) 282142832 SA-100000/- DOC-28.03.2001
3) 382794085 SA-50000/- DOC-28.02.2003
4) 382554348 SA-50000/- DOC-28.03.2004

He was an employee of South Eastern Colliery at Korba and died on 17.05.2004. Claim preferred by her mother Smt. Meena Pandey (Deceased) did not received the claim amount and she died on 23.04.2006 due to shock of her husband's death. Being an only heir of her father & mother, Ku. Sandhya Pandey lodged the complaint for non receipt of the death claim. In reply of which the respondent intimated vide their letter dated 14.11.2008 that the liability under the above policies were repudiated by the respondent on the ground of suppression of material fact i.e. diabetes and intimated on 08.02.2006 to Mrs. Meena Pandey.

Aggrieved from the action of the respondent the complainant lodged the complaint on 24.07.2009 seeking the direction to pay the full sum assured.

The Complainant present herself and submitted that her father was insured under the above policies died on 17.05.2004. The claim preferred by her mother was not paid by the respondent despite of several reminders, ultimately she died on 23.04.2006. Thereafter, being an only heir of my parents, I preferred the claim. After several reminders respondent informed me that the liability of payment of claim were repudiated by them and the same was intimated to me by letter dated on 14.11.2008. The claim is wrongly repudiated and delayed by 04 years by the respondent. Being an orphan and student, dependent on my grand parents, having no source of income, the claim may be considered sympathetically.

The Respondent represented by Shri Agarwal, Manager (CRM), Bilaspur submitted that there were total 05 policies out of which in one policy the payment already been made, whereas the first two policies was revived on 15.02.2003 and remaining two policies were issued on 28.02.2003 and 28.11.2003. Being an early death claim, investigation was conducted, which reveals that DLA was suffering from Diabetes since 27.11.2000 and submitted as a proof copies of Indoor Patient case record issued by South Eastern Coalfields Limited Main Hospital, Korba. While reviving the policy on 15.02.2003 and taking two another policies on 28.02.2003 and 28.11.2003 the DLA did not disclosed the facts that he was suffering from diabetes. Had he mentioned the same in the proposal form, the underwriting decision would have been different. In view of the above the decision to repudiate the liability under the above policies is just & fair. The complaint may be dismissed. Further, the decision to repudiate the liability was conveyed to Smt. Meena Pandey on 08.02.2006.

FINDINGS & CONCLUSIONS:-

There is no doubt that the DLA was insured under the above policies. It is proved that the DLA died on 17.05.2004. The DLA was suffering from Diabetes since 2000 as per case record of the South Coalfields Hospital, Korba.

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

respondent to repudiate the liability of death claim is seems to be just & fair, however, on humanitarian ground I am of the considered opinion to pay Rs. 50,000/- on ex-gratia basis to the complainant.

The respondent is directed to pay Rs. 50,000/- on ex-gratia basis within 15 days from the receipt of this order, failing to which interest @ 9% will be payable.

Dated at BHOPAL, on 17th of DECEMBER 2009.

Order No.BPL/LI 09-10/ 80
Case No. LIC-244-21/11-09/BPL

Shri Deepak Soni ……..……..……..……..Complainant
Life Insurance Corporation of India, Bhopal. ……..…Respondent

Brief Background - Repudiation of death claim

Shri Deepak Soni s/o Shri Rajendra Soni (DLA) resident of Bhopal lodged the complaint that his father late Shri Rajendra Soni was insured under the policy no. as under:-

1) 352590533 SA-50000/- 174/12 DOC-28.03.2006

He died on 11.04.2007 due to accident, Claim preferred by complainant, repudiated by the respondent on the ground of suppression of material fact (i.e. CABG done in 2003).

Aggrieved from the action of the respondent the complainant lodged the complaint on 12.11.2009 seeking the direction to pay the full sum assured amount.

The Complainant presents himself and submitted that his father was enjoying good health on the date of proposal. The medical examination carried out by Dr. Tripathi on 30.03.2006 reveals no adverse features of his health, hence the insurance was granted by the respondent. While returning to home on 12.12.2006 he met with an accident and went in coma which did not recovered and ultimately died on 11.04.2007 in Bhopal Memorial Hospital. The cause of death is accident only and it has no relevance with his past illness. The claim is wrongly repudiated by the respondent on 27.04.2009 may be directed to pay the claim amount alongwith the interest for delay and compensation for mental harassment.

The Respondent represented by Shri Ganga, Manager (Claims), Bhopal submitted that being an early death claim, investigation was conducted which reveals that the DLA was operated for CABG in 2003, which he did not disclosed at the time of proposal for insurance on 30.03.2006. Had he mentioned the same in the proposal form, the underwriting decision would have been different. Hence, the decision taken by us is fair & just. The complaint may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

There is no doubt that the DLA was insured under the above policy. It is also proved that the DLA died in Bhopal Memorial Hospital on 11.04.2007 due to accident. The proposal form and medical report does not reveal the CABG operation done in 2003 whereas, Demography report of Bhopal Memorial Hospital & Research Center, Bhopal proves that DLA was operated for CABG three years back. It is also proved that the repudiation letter was issued to the complainant on 27.04.2009 i.e. after two years from the date of proposal.

The respondent fails to submit any proof/report of operation of CABG performed in 2003. The cause of death was an accident only and it has no nexus with the CABG. Hence, I am of the considered opinion that the decision taken by the respondent to repudiate the liability is not fair and just.

The respondent is directed to pay full Sum Assured Rs.50,000 plus Bonus and accident benefit Rs. 50,000/- under the above policy within 15 days from the date of receipt of this order, failing to which interest @ 9% will be payable.

Dated at BHOPAL, on 18th of DECEMBER 2009.

Order No.BPL/LI 09-10/ 81
Case No. LIC-228-21/11-09/BPL

Smt. Husna Bano ……..……..……..Complainant
Life Insurance Corporation of India, Bhopal. ……..…Respondent

Brief Background - Repudiation of death claim

Smt. Husna Bano w/o Shri Akhtar Ali (DLA) resident of Bhopal lodged the complaint that her husband was insured as under:-

1)	352564292	SA-100000/-	91/17	DOC-14.09.2006
2)	352568807	SA-625000/-	165/15	DOC-01.01.2007

He died on 15.04.2007 due to Heart Attack, Claim preferred by complainant, repudiated by the respondent on the ground of suppression of material fact (i.e. Diabetec Mellitus with Hyper-tension).

Aggrieved from the action of the respondent the complainant lodged the complaint on 11.11.2009 seeking the direction to pay the full sum assured amount.

The Complainant presents herself and submitted that his husband was enjoying good health on the date of proposal. The medical examination carried out by the Medical Examiner of respondent on date 12.09.2006 and 08.01.2007 reveals no adverse features of his health and on the basis of which insurance was granted. We are also not aware of any ailment from which my husband was suffering. The HDFC standard Life Insurance Company has also made the payment of Rs. 2.50 lakhs within 2 months towards the death benefit of the insurance policy which was taken just 15 days before the date of death. I do not understand why the LIC has repudiated the liability on 16.07.2008 without any justification. The respondent may be directed to make the full payment of claim amount.

The Respondent represented by Shri Ganga, Manager (Claims), Bhopal submitted that being an early death claim, investigation was conducted which reveals that the DLA was patient of Diabetes Mellitus with Hyper-tension as per the Medical Attendant's Certificates issued by Hamidiya Govt. Hospital, Bhopal. He died on 15.04.2007 due to Cardiogenic shock and the secondary cause of death was acute L.V.F. Hypertension, Diabetes Mellitus, which proves that the DLA was suffering from Diabetes Mellitus with Hypertension which he did not disclosed in the proposal form at the time of taking the insurance policy.
Had he mentioned the same in the proposal form, the underwriting decision would have been different. Hence, the decision taken by us is fair & just. The complaint may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

There is no doubt that the DLA was insured under the above policies.
It is proved that the DLA died in Hamidiya Hospital on 15.04.2007 due to Heart Attack. The proposal form and medical report does not reveal any adverse ailment of the DLA's health whereas, the hospital treatment report issued in form-B annexure-II reveals that the DLA was suffering from Diabetes Mellitus with Hypertension and died on 15.04.2007. The form-B annexure-II Question No. 4(c) How Long had he been suffering from this disease before his death? There is no duration mentioned against this question, which cannot proves non-disclosure of material facts.

The respondent is also failed to submit evidence which proves that the DLA was suffering from Diabetes Mellitus with Hypertension prior to the date of proposal.

It is found that the decision taken by the respondent to repudiate the liability on the ground of suppression of material fact **is not fair and just**.

The respondent is directed to pay full Sum Assured with Bonus under both the policies i.e. Rs. 7.25 lakhs + bonus within 15 days from the date of receipt of this order, failing to which interest @ 9% will be payable.

Dated at BHOPAL, on 18th of DECEMBER 2009.

Order No.BPL/LI 09-10/ 85
Case No. SBI-261-21/12-09/Mum

Smt. Aruna Gajbhiye ……..…….……..Complainant
SBI Life Insurance Co…….. ……..…Respondent

Brief Background – Repudiation of death claim

Shri Aruna Gajbhiye, resident of Bhanpuri Distt. Bastar (M.P.) lodged the complaint that her husband Late Shri Chandra Kukmar Gajbhiye was an employee of State Bank of India and covered under Group Insurance Policy No. 84001000110 for SA of Rs. 2.00 lakhs. He met with an accident and died on 22.01.2009. Claimed preferred by her, repudiated by the respondent under the plea that accident has occurred due to violation of rules.

Aggrieved from the action of the respondent the complainant lodged the complaint on 14.12.2009 to the respondent.

The Respondent represented by Shri Ankur Chhiber, Sr.Manager(Operation), Bhopal presented and submitted that as per Police Investigation Report the accident has occurred on railway track when he was crossing the railway track after purchasing tobacco. The accident might have occurred due to influence of tobacco. Crossing the railway track is also a violation of rules. Hence the claim is rightly repudiated. The complaint may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

There is no doubt that the DLA was covered under group insurance scheme for sum of Rs. 2.00 lakhs. It is proved that the death has occurred due to accident only.

The Police First Investigation Report dated 05.02.2009 states that he has gone for walk in the morning met with an accident with goods train at the railway track and got head injury and died and Final investigation report dated 04.07.2009 states that the DLA has gone to purchase tobacco and while crossing the railway track the accident has occurred with the goods train at the railway track and head injured and died.

In view of the above circumstances, it is found that to decide this complaint, it requires more evidences and examining of witnesses for which this forum is not empowered.

As such the complainant is advised to take recourse to any other Redressal Forum/Court to consider appropriate resolution of the grievance.

The complaint is dismissed without any relief.

Dated at BHOPAL, on 12th of JANUARY 2010.

Order No.BPL/LI 10-11/ 88
Case No. MAX-222-20/11-09/Gurgaon

Ms. Ragini Dhurve ……..…….……..Complainant
Max New York Life Insurance Co…….. ……...…Respondent

Brief Background- Repudiation of death claim

Ms. Ragini Dhurve, resident of Indore (M.P.) lodged the complaint that her husband Late Shri Kalpesh Dhurve was insured under insurance Policy No. 415255488 on 05.01.2006 for SA of Rs. 1,79749/- and paid annual Premium Rs. 15,000/- met with an accident on 20.06.2009 and admitted in the hospital and died on 27.06.2009. Claim preferred by the complainant, repudiated by the respondent under the plea of non disclosure of hyper-tension.

Aggrieved from the action of the respondent the complainant lodged the complaint on 25.11.2009 seeking the direction for payment of claim amount.

The Respondent represented by Shri Anirud Ojha, Manager (Operation), Bhopal presented himself and submitted that the DLA was suffering from hyper-tension as per the certificate of Dr. Era Joshi dated 25.09.2009 which he did not disclosed the same at the time of taking the policy, If had he mentioned the same, the underwriting decision would have been different. As per the section 45 of the Insurance Act , if the DLA has suppressed the material fact the liability may be repudiated by the respondent. Hence the claim is rightly repudiated and the complaint may be dismissed.

FINDINGS & CONCLUSIONS:-

There is no doubt that the policy was issued to the complainant and he died due to road accident. The PM reports also confirm that death has occurred due to accident only. The above policy was taken on 05.01.2006 and the death has occurred on 27.06.2009. The policy was enforced for 03 years and 05 months; the section 45 of insurance act is applicable only 2 years from the date of commencement of the policy. Thereafter, it cannot be called in question. Further, death has occurred due to accident only.

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

Dated at BHOPAL, on 29th of JANUARY 2010.

Order No.BPL/LI 10-11/ 90
Case No. LIC-247-21/11-09/STN

Shri Ayodhya Prasad Chowdhry…..……..Complainant

Life Insurance Company Satna……..…Respondent

Brief Background - Repudiation of death claim

Shri Ayodhya Prasad Chowdhary, resident of Amodha Kala Tah. Raghuraj Nagar, Distt. Satna (M.P.) lodged the complaint that his wife Smt. Ramdulari Chowdhary alias Rukmani Verma was issued a Policy No. 377171269 under Plan No. 179/23 on 15.11.2008 for Rs. 50,000/- died on 10.01.2009 due to stomach pain. Claim preferred by the complainant repudiated by the respondent on the ground of non disclosure of material fact.

Aggrieved from the action of the respondent the complainant lodged the complaint on 19.11.2009 seeking the direction for death claim payment of full sum assured with interest.

The Respondent represented by Shri M.K.Mishra A.O. (Claims) presented himself and submitted that the being a early death claim within the period of one month and 25 days, claim investigation was conducted, which reveals that the DLA had undergone for colposcopy test on 19.06.2007 and submitted the copy of test of Rashi Colposcopy Centre, Satna referred by Dr. Preeti Nema, which she has not mentioned in the proposal form at the time of taking the life insurance on 15.11.2008. It is a clear case of non disclosure of material facts. Hence, we have rightly repudiated the claim.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to the DLA and proposal form dated 15.11.2008 reveals no adverse features regarding health of DLA. The colposcopy test on 19.06.2007 reveals that the DLA was suffering from Tuber Closis, due to which she died. The Insurance is contract of utmost good faith, any misrepresentation on either side vitiate the contract ab-initio.

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

Hence the complaint is dismissed without any relief.

Dated at BHOPAL, on 16th of FEBRUARY 2010.
Order No.BPL/LI 10-11/ 92
Case No. SBI-258-21/12-09/Mum

Smt. Susheela Mishra ……..……..Complainant
SBI Life Insurance Co. ……..…Respondent

Brief Background - Repudiation of death claim

Smt. Susheela Mishra, resident of Bhind (M.P.) lodged the complaint that her husband Late Shri Santosh Kumar Mishra was an employee of State Bank of India was insured from 01.03.2006 under SBI Staff Group Insurance Scheme Swarna Ganga under Master Policy No. 84001000110

for Rs. 2.00 lakhs died on 18.08.2009 due to cancer. Claim preferred by the complainant rejected by the respondent on the ground of suppression of material fact.

Aggrieved from the action of the respondent the complainant lodged the complaint on 08.12.2009 seeking the direction for the payment of Rs. 2.00 lakhs with interest.

The respondent presented Shri Ankur Chhibar, Sr. Managre (Operation) and submitted that as a compensatory ground the company has decided to make the payment of Rs. 2.00 lakhs to the complainant and sent a voucher for her advance receipt voucher, which they are yet to receive from complainant. On receipt of the same we would make the payment immediately.

The complainant presented that because the case was filed with the Ombudsman Office we did not submit advance receipt voucher which we are submitting herewith.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to the DLA for Rs. 2.00 lakhs. It is also proved from the records submitted by the respondent that the DLA was suffering from Renal Tumour from 1997. The record of which was very much available with the employer, hence there is no suppression of material fact. However, the respondent has decided to make the payment on compensatory ground on receipt of the discharge voucher. The respondent is directed to make the payment of Rs. 2.00 lakh and submit the payment particulars within 15 days from the date of receipt of this order.

Dated at BHOPAL, on 16th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 93
Case No. KTK-240-21/11-09/Mum

Smt. Kunta Bai Patidar……..Complainant
Kotak Mahindra Life Insurance Co. ……..…Respondent

Brief Background - Repudiation of death claim

Smt. Kunta Bai Patidar w/o Late Shri Radheshyam Patidar, resident of Badasa, Tahsil Tomkhurd Distt. Devas, (M.P.) lodged the complaint that her husband was insured under Policy No. 00399228 on 02.02.2006 for SA of Rs. 1.48 lakhs with half yearly premium of Rs. 5200/-. The last premium were deposited towards two half yearly premium on 29.11.2008 for Rs.10402/- and medical reports was also submitted for the major revival of the policy, however, due to death of her husband on 07.12.2008 she claimed for the amount repudiated by the respondent on the ground that policy was in lapsed condition as on the date of death.

Aggrieved from the action of the respondent the complainant lodged the complaint on 11.11.2009 seeking the direction to pay the full claim amount with interest.

The respondent presented by Shri Ashish Bhardwaj submitted that Policy was in lapsed condition since 02.03.2008. The complainant is requested for major revival on 18.11.2008 received by the respondent on 03.12.2008, on 07.12.2008 we have called for further medical reports including ECG, SMA-15, HIV and RUA, which we did not received as the life insured is already died on 07.12.2008. As the policy was in lapsed condition on the date of death, nothing is payable. Therefore, the complaint may be dismissed without any relief.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to the DLA. It is also proved as on the date of death, the policy was in lapsed condition due to non fulfillment of medical requirements. Hence, the decision of the respondent is just & fair, requires no intervention. However, it is also observed that complainant has paid Rs. 10402.00 on 29.11.2008 was kept in suspense was also not refunded, which could have been refunded at the time of repudiating the liability.

Hence the respondent's is directed to refund Rs. 10402.00 with @ 9% interest till the date of payment.

Dated at BHOPAL, on 17th of FEBRUARY 2010.

Order No.BPL/LI 10-11/ 101
Case No. LIC-300-20/01-10/BPL

Shri Santosh Singh Rathore……..……..Complainant
LIC of India, Bhopal ……..…….Respondent

Brief Background – Repudiation of death claim

Shri Santosh Singh Rathore, resident of Bhopal (M.P.) lodged the complaint that he has taken the joint life insurance from LIC of India, Bhopal w.e.f. 25.04.2008 for SA of Rs. 1.00 lakh under term & table no. 89/20 for the benefit of his daughter. The wife Smt. Archana Rathore died on 25.12.2008 due to burn. The claim preferred by him for full Sum Assured but respondent offered him refund of premium amount due to operation of clause IV-B, which he did not accept.

has pass the order to refund only first premium amount deposited by him due to operation of clause IV-B, but he has not accepted.

Aggrieved from the action of the respondent the complainant lodged the complaint on 12.01.2010 seeking the direction to refund of premium amount with interest.

Complainant presented himself and submitted that he has taken joint life insurance plan covering risk of my wife and myself for the future provision of my daughter on 25.04.2008 and paid first premium. Unfortunately, my wife while preparing tea at home got burn on 08.12.2008 and then she was immediately admitted in the Chirayu Hospital and Hamidia Hospital. Despite of all our efforts to survive her we could not save her and ultimately she died on 25.12.2008. The claim preferred by me for the Sum Assured amount of Rs. 1.00 lakh, the respondent has offered me to refund the first premium amount without interest which I did not accepted. We have never given a consent for clause IV-B restricting death benefit. Hence, full death claim amount should be payable to me.

The respondent represented by Shri Sithole, Manager (CRM), LIC,Do,Bhopal submitted that the policy runs for less than one year and due to operation of clause-IV-B which contains that "if the death of female life has occurred within 03 years from the date of commencement of the policy; other than a public place; the liability of the insurer shall be limited to refund the premium received without interest". In view of the clause IV-B we have refunded only first premium which the complainant has not accepted. The claim is rightly admitted and requires no intervention.

The Ombudsman asked to produce the consent letter of the complainant giving the consent clause IV-B. The respondent did not produce the same.

FINDINGS & CONCLUSIONS:-

1. There is no doubt that the above joint life policy was issued to the complainant.
2. It is proved that the DLA Late Smt. Archana Rathore died in the hospital due to burn.
3. It is also proved that the consent for clause IV-B was not obtained from the Life Assured/ complainant. Hence, the imposition of clause IV-B is a unilateral action of the respondent in this case.
4. The claim is admitted by the respondent for refund of premium is not just & fair.

In view of the above, the respondent is directed to pay the full Sum Assured Amount of Rs. 100,000/- with penal interest within 15 days to receipt of this order, failing to which further interest will be payable @ 9%. And also keep the policy fully paid up as per the policy condition.

Dated at BHOPAL, on 19th of FEBRUARY 2010.

Order No.BPL/LI 09-10/ 103

Case No. BA-259-21/12-09/Pune

Smt. Sagorika Pal ……..……..……..Complainant
Bajaj Life Ins……..……..……..…Respondent

Brief Background –Repudiation of death claim

Smt. Sagorika Pal, resident of Korba(C.G.) lodged the complaint that his son Late Shri Jayanta Kumar Pal was insured under the Policy No. 73637367 for S.A. of Rs. 1.25 lakhs on 03.11.2007. He died on 30th June 2008. Claim preferred by complainant repudiated by the respondent on the ground of suppression of material fact i.e. history of rheumatic heart disease with mitral valve replacement and rheumatic arthritis and prophylactic treatment; prior to date of proposal.

Aggrieved from the action of the respondent the complainant lodged the complaint on 15.12.2009 seeking the direction for full sum assured amount.

The Complainant represented by Smt. Sagorika Pal, DLA's mother submitted that at the time of proposal my son was enjoying good health despite the valve replacement in the year 1986. He has completed B.Sc. and thereafter MBA and working as I.T. Professional at Pune. All of a sudden he had a problem and hospitalized at Ramaiah Hospital, Bangalore there he died within a short period. Actually, there was no any intention to hide the above facts. The agent was our relative and he had the knowledge of valve replacement but he did not mentioned the same in the proposal form. The Respondent has also failed to collect for medical at the time of taking the policy and now when the claim is due for payment they are searching from their responsibilities.

The Respondent represented by Shri Ankur Chawla, Deputy Manager, Bhopal submitted that there was an operation of heart valve replacement done in the year 1986, which is a major operation, the DLA has not disclosed the same while filling in the proposal form. Being an early death claim, investigation was conducted which reveals the DLA was suffering from rheumatic heart disease with mitral value replacement and rheumatic arthritis and prophylactic, which he did not disclosed in the proposal form. If he had revealed the same, the underwriting decision would have been different and medical and special medical report would have been called for. Hence our decision is just & fair.

FINDINGS & CONCLUSIONS:-

There is no doubt that the above policy was issued to complainant for SA of Rs. 1.25 lakhs and he died on 30th June 2008 within 08 months of the proposal date. The proposal form has not mentioned the history of rheumatic heart disease with mitral value replacement and rheumatic arthritis and prophylactic while filling of the proposal form which was material to be disclosed. The death certificate and other medical records proves that the death has occurred due to heart failure which is relevant with the disease from which the DLA was suffering

Insurance is a contract of utmost good faith, both the parties are expected to reveal all the material facts, any mis-representation on either side vitiates the contract ab-initio.

However,the Policy was Unit Gain Plus Gold Policy which is a unit linked policy, hence, respondent is advised to refund the fund value of the above policy as on date of death of DLA i.e. 30/06/2008 on humanitarian ground to the complainant within 15 days from the date of receipt of this order, failing to which interest @ 9% will be payable.

Dated at BHOPAL, on 23rd of FEBRUARY 2010.

CHANDIGARH

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/410/Karnal/Karnal-II/24/10
Arun Bajaj Vs Life Insurance Co. Ltd.

ORDER DATED: 22ND OCTOBER, 2009 **DEATH CLAIM**

FACTS: The mother of the complainant Sh. Arun Bajaj had purchased a policy bearing no. 175713180. After the death of his mother, he has submitted all the death claim papers in the branch office but he has not received any response from the insurer so far.

FINDINGS: The insurer stated that DOC of the policy was 23.08.06. The DLA expired on 01.04.09. Investigations were required to know the cause of death. Hence the claim could not be settled

DECISION: Held that investigations were not required since the policy had run for more than 2 years and as per Section - 45 of the Insurance Act 1938 policy cannot be called in question after two years have elapsed. Now the policy had completed 3 years since the date of commencement. The insurer was advised to settle the claim based on the available information.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/423/Chandigarh/24/10
Smt. Darshan Kaur Vs Life Insurance Co. Ltd.

ORDER DATED: 28TH OCTOBER, 2009 DEATH CLAIM

FACTS: The complainant's husband late Sh. Baljit Kumar purchased four policies bearing nos. 161848133, 161848134, 161848135 and 161848136 on 28.03.2000 for Rs. 2,00,000 lakhs. with DAB. The DLA expired on 29.11.2008 in a road accident. She had submitted all the death claim papers in the branch office. The insurer had paid Rs. 169940 vide cheque no. 208830 on 17.06.2009. The complainant had requested to the insurer to pay balance amount of Rs. 4,00,000 with interest but she had not received any reply from the insurer.

FINDINGS: The insurer clarified the position by stating that this was an SSS Policy . The DLA was under suspension for more than 12 months and accordingly premium due was not deducted from his salary by the employer and not remitted to the insurer. Thus there were gaps for 20 monthly premia which were not paid. Because of these gaps the policy was considered as lapsed and only paid up amount with bonus was paid. On a query, whether the policy was in a lapsed condition on the date of death, the insurer replied that after the DLA was reinstated on revocation of suspension terminal premia were received regularly w.e.f June 07 till the date of death. The insurer also replied in negative on a query whether the DLA had withdrawn the letter of authority to the employer for payment of premium through salary. The insurer had also not initiated lapse action after the 6th default in premium had occurred under the policy and no revival quotation was given before the adjustment of terminal premium.

DECISION: Held that while the contention of the insurer that there were 20 gaps in remitting the premia was justified, the policy was in force on the date of death of the DLA since 15 terminal premiums had been received and adjusted before the death took place. Therefore, as per claim manual issued by the insurer *ex-gratia* payment both for the basic sum assured and DAB alongwith the accrued bonuses on each policy are payable under Para 5 of Chapter 3. The insurer was ordered that *ex-gratia* payment equivalent to basic sum assured plus DAB plus accrued bonuses less paid up amount less the bonus already paid less the total gaps in the premia would be paid to the complainant on *ex-gratia* basis by 25.11.09 as per powers conferred on the Ombudsman as per Rule 16(2) read with Rule 18 of RPG Rules 1998.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Max New York/288/Gurgaon/Hoshiarpur/24/10
Joginder Kaur Vs Max New York Life Insurance Co. Ltd.

ORDER DATED: 13TH OCTOBER, 2009 DEATH CLAIM

FACTS: The husband of the complainant Smt. Joginder Kaur was the holder of the policy bearing no. 311037147. He expired on 18.03.09 but claim was not paid. She had requested that her claim should be settled.

FINDINGS: The insurer clarified the position by stating that the date of commencement of the policy was July 07 and the death took place in March 08. Since it was an early death claim investigations were carried out which revealed that the cause of death was heart attack and this was the third heart attack. On a query as to how the information regarding third heart attack established the insurer stated that it was given by the family doctor. Dr. Baljinder Singh. After going through the records especially the statement of Dr. Baljinder Singh carefully, it was held that there was a lacunae in the investigations due to the fact that the claim did not mention the third heart attack whereas Dr. Baljinder Singh and the late Smt. Joginder Kaur had mentioned about the three heart attacks. On further enquiring regarding distance between the residence of the DLA and the Clinic of Dr. Baljinder Singh and the detailed statement alongwith the record of treatment by Dr. Baljinder Singh the insurer clarified that the distance between the two places is 4 kilometers. There was no record of treatment of the DLA by Dr. Baljinder Singh available with him except a statement by him that the DLA had suffered two Heart Attacks earlier.

DECISION: After hearing the insurer in the presence of the representative of the complainant, it was held that Dr. Baljinder Singh had made a statement about three Heart Attacks suffered by the DLA but there was no substantive proof regarding the dates of the Heart Attack or any treatment for any of the Heart Attacks. The other statements given by the villagers about the Heart Attacks also appeared to be based on hearsay only. While it was possible that the DLA suffered three Heart Attacks, it was also possible that all the three Heart Attacks could have been during the policy period. Giving the benefits of doubt to the complainant that in the absence of any proof of pre-existing disease, the claim was payable. The insurer was ordered to pay the claim.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/455/Karnal/Panipat-II/24/10
Kanta Devi Vs Life Insurance Co. Ltd.

ORDER DATED: 10TH NOVEMBER, 2009 **DEATH CLAIM**

FACTS: The husband (Late Shri Suresh Chander) of the complainant Smt. Kanta Devi purchased a policy bearing no. 175732862. The DLA expired on 11.07.08 due to Heart Attack. She has submitted all the death claim papers in the branch office but the insurer has repudiated the death claim payment on 22.06.2009.

FINDINGS: The insurer clarified the position by stating that as per Form 3816 filled up by the medical officer from Jaipur Golden Hospital where the DLA expired, it was mentioned that the DLA was suffering from DMII from the last 12 years. Hence the claim was repudiated on the grounds of pre-existing disease and concealment of material facts. On a query whether there was any treatment record of DM-II for the past 12 years through hospitalization or otherwise the insurer replied in the negative. On a query whether the DLA was treated for any disease before the commencement of the policy the complainant replied in the negative and furnished a certificate from the office of the DLA stating that the DLA had never taken any medical leave in the last three years.

DECISION: After hearing both the parties and going through the records carefully, I am of the opinion that the contention of the insurer that the DLA was suffering from pre-existing disease is not based on any documentary evidence of treatment of any pre-existing disease except a mention in Form 3816 of the insurer. Moreover the disease mentioned is DM-II whereas the DLA expired due to Heart Attack. The two are not correlated. The certificate from employee about not taking medical leave gives a clean chit to the DLA. Taking the above into

consideration, the repudiation of the claim by the insurer on the ground of preexisting disease was not in order. The insurer was ordered to pay the death claim to the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/421/Karnal/Karnal-I/24/10
Parvati VS Life Insurance Corporation of India

ORDER DATED: 10TH NOVEMBER, 2009 DEATH CLAIM

FACTS: The husband (late Shri Subhash Chander) of the complainant purchased a policy bearing no. 17564475 on 15.06.2007. The DLA expired on 09.08.2008 due to Heart Attack. She has submitted all the death claim papers in the branch office but she has not received any response from the insurer till date.

FINDINGS: The insurer stated that the date of commencement of policy was 15.06.07. The DLA expired on 09.08.08. Since it was an early death claim, investigations were carried out. It was revealed that the DLA was admitted in Fortis hospital on 06.02.08. Moreover, post PTCA plus stunting was done which created a doubt about pre-existing disease. On a query, whether post PTCA plus stunting were done during the policy period or before the commencement of the policy, the insurer wanted time to clarify the position. He also stated that this was a medical case and the DLA was medically cleared before the policy was issued to him. On going through the records carefully, it is observed that it has not been conclusively proved that this was a case of pre-existing disease. Clarifications are required regarding the date of post PTCA plus stenting mentioned by Fortis Hospital, Mohali. The insurer stated that they had requested the branch manager Panchkula to get the report regarding stenting etc. On a query whether it was a medical case the insurer replied in the affirmative and stated that the DLA was cleared medically.

DECISION: Held that the contention of the insurer regarding preexisting disease is not justified as hospitalization was between 06.02.08 and 08.02.08 which is within the policy period. Also the DLA had been cleared medically by the Panel Doctor. of the insurer and no pre-existing disease was found. The insurer was ordered that the admissible amount of claim would be paid by the insurer to the complainant.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/456/Karnal/Jind/24/10
Rajesh Kumar Vs Life Insurance Co. Ltd.

ORDER DATED : 10TH NOVEMBER, 2009 DEATH CLAIM

FACTS: The wife (Late Smt. Sunita Devi) of the complainant Sh. Rajesh Kumar had purchased two policies on 28.05.05. The DLA expired on 26.03.08 due to illness. He has submitted all the death claim papers in the branch office but nothing has been received so far.

FINDINGS: The insurer clarified the position by stating that the death had taken place within three years of the commencement of the policy. Investigations were carried out. The death record received from PGI Rohtak has not mentioned any pre-existing disease. However, they wanted to know if the DLA had taken leave on medical ground before the commencement of the policy.

DECISION: Held that the contention of the insurer that leave record was must to settle the claim was not justified especially when there was no record of any pre-existing disease. The insurer was to pay the death claim to the complainant alongwith interest @8% p.a w.e.f. 01.10.08 till the date of payment (granting six months for investigations).

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Max New York/406/Gurgaon/Ferozpur/22/10
Sham Lal Vs Max New York Life Insurance Co. Ltd.

ORDER DATED: 28TH OCTOBER, 2009 **DEATH CLAIM**

FACTS: The son (Shri Gaurav Kumar) of the complainant (Shri Sham Lal) had purchased a Unit Linked policy bearing no. 428451629 and the complainant was the nominee. His son died in road accident on 27.03.09. He had preferred claim with the insurer but the payment was not received. Later he received an amount of Rs. 10,000 from the insurer.

FINDINGS: The insurer clarified the position by stating that there was a gap in respect of the premia till the date of death. Hence the policy was in a lapsed condition on the date of death. Only NAV in respect of the units in the account of the DLA amounting to Rs. 10,000 was paid to the complainant. The insurer stated that last premium was received on 23.02.09. On a query whether any lapsation notice during the interval period had been issued to the complainant alongwith revival quotation. It appeared that the contention of the insurer that the policy was in a lapsed condition on the date of death of the DLA on 27.03.09 did not justified as the last premium received was on 23.02.09 immediately before the death of DLA. To establish the fact whether the policy was in a lapsed condition or revived the insurer was asked to clarify whether any lapsation notice and revival quotation were sent to the DLA when a particular premium was not received. Insurance cover lapse intimation was sent to the complainant on 14.07.08 which shows that the last due date was 07.06.08. He also showed another letter dated 13.08.08 which showed that the next premium due was on 07.08.08. There was no document to show that the policy could be lapsed in respect of insurance cover but not in respect of investment.

DECISION: Held that there was an apparent contradiction in the two letters furnished by the insurer. There was no record to show that against the same policy, insurance cover can lapse and investments can continue. The contention of the insurer that the policy was in a lapsed condition on the date of death was not justified as the DLA had paid the last premium on 23.02.09 just before his death on 27.03.09. No revival quotation was given to justify the lapsation of the policy. The terminal premium was received and adjusted, the policy was in force at the time of the death of DLA. Repudiation of the claim was, therefore not in order and the claim was payable. Insurer was ordered to pay the admissible amount of death claim.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Max New York/315/Gurgaon/Solan/22/10
Shanti Thakur Vs Max New York Life Ins. Pvt. Ltd.

ORDER DATED: 5TH OCTOBER, 2009 **DEATH CLAIM**

FACTS: The husband (late Shri Om Parkash) of the complainant (Smt. Shanti Thakur) was holding policy no. 442827895. She requested the company to settle the claim but on 26.05.09 she received a cheque for Rs. 12376.07 being the full and final settlement of claim. The insurer had taken the plea that policy was in lapsed condition whereas the complainant had stated that the premium stands paid on 10.03.09 by cheque cleared on 16.07.09.

FINDINGS: The insurer clarified the position by stating that against a requirement of 20 premia on monthly basis till march 09 only 19 premia had been received. A cheque dated 07.03.09 which was the 20th premium had bounced on 07.03.09. On a query as to whether any record of bouncing of the cheque was available the same could not be clarified satisfactorily by the insurer.

DECISION: Held that there was no Bank record for bouncing the cheque dated 07.03.09 even if the cheque had bounced the same was not intimated to the complainant in time nor was the policy lapsed due to non payment of premium. Moreover the insurer has been accepting further premia from the DLA without putting the policy in a lapsed condition. I have also gone through the manual for settlement of claim issued by LIC in which it has been clearly mentioned Chapter 2 under Section 4.5 that in case there is a gap in premium during the period of three years

succeeding the date of death. The death claim may be settled after deducting the unpaid installment provided the last two premium under the policy have been paid and adjusted. In this case all the premia up to the date of death 29.03.09 have been accepted and adjusted and no intimation about gap in premia has been given to the DLA. Therefore the policy should be treated in force on the date of death. The claim in my view is liable to be paid. It is hereby ordered that the basic sum assured in respect of the DLA, Sh. Om Parkash should be paid by the insurer to the complainant by 31.10.09 under intimation to this office alongwith the accrued bonuses etc.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. ING VYSYA/478/Bangalore/Mohali/24/10
Asha Rani Vs ING VYSYA Life Ins. Co. Ltd.

ORDER DATED: 20th JANUARY, 2010 **DEATH CLAIM**

FACTS: The husband (Late Shri Rajesh Kumar) of the complainant (Smt Asha Rani) was holding a policy bearing No. 01044161 dated 22.03.08. Her husband expired on 14.08.08. She had submitted all the required documents with the insurer but the claim was not settled..

FINDINGS: The complainant submitted that the repudiation of the claim on the ground that DLA committed suicide by consuming poison was not based on the facts. Though there was no FIR lodged, DDR No. 30 was recorded in ROJNAMCHA P.S Tripuri Patiala on 14.08.2008.where the investigation by the head constable clearly shows that matter was death due to intake of poison by mistake. He further stated that Post Mortem of the dead body was necessary because death was not natural and investigation under section 174 PC took place.

Insurer submitted that the claim has been repudiated on the ground that the DLA committed suicide by consuming poison and in support of their decision they quoted DDR 30 dated 14.08.2008 at P.S Tripuri, Patiala quoting that the wife of DLA has admitted that her husband died due to eating poisonous substance. They also quoted PMR No. ADK/2008/90 dated 14.08.2008 where it was recorded that DLA died of poisoning and also chemical examiner report which reveals Aluminium Phosphide insecticide in parts of viscera, liver and kidney. They further submitted that as per clause 11 of the policy if the LA commits suicide for any reason within the first year of the policy, the claim is not payable.

DECISION: Held that on the basis of papers on records particularly DDR NO. 30, It was observed that wife of DLA has recorded a statement which read " that Rajesh Kumar had ate some poison and then we admitted him in Amar Hospital". Further DDR clearly states that Post Mortem of the dead body was necessary as the death was "insani" (due to human fault) and investigation took place under section 174 CRPC. On the basis of the statement of the parties and facts, it was not conclusively proved that DLA has committed suicide. However since the investigation under section 174 CRPC took place the insurer was ordered to reconsider the case after obtaining necessary confirmation from the magistrate regarding the outcome of the case registered under Section 174 CRPC .

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. Birla Sun Life/498/Mumbai/Uchana/24/10
Smt. Sudesh Rani Vs Birla Sun Life Insurance Co. Ltd.

ORDER DATED: 20TH JANUARY, 2010 **DEATH CLAIM**

FACTS: The husband (Late Shri Gulbahar Singh) of the complainant Smt. Sudesh Rani was holding a policy bearing no. 002462853. Her husband expired on 17.02.09. The claim preferred by her was declined by the insurer on false grounds.

FINDINGS: The representative of the complainant submitted that the insurer has repudiated the claim while other insurance companies have settled claim under their policies which were taken immediately prior to the subject policy.

The insurer clarified the position by stating that the claim has been repudiated on the grounds of suppression of material information. The insurer further submitted that they hold indisputable evidence to show that the life assured was not keeping good health prior to the submission of the proposal for the subject policy.

DECISION: Held that repudiation of the claim by the insurer was justified. The complaint was dismissed.

CHANDIGARH OMBUDSMAN CENTRE

CASE NO. LIC/551/Jalandhar/Muktsar/24/10
Jasvir Kaur Vs LIC of India.

Order dated: 16th FEBRUARY, 2010 **DEATH CLAIM**

FACTS: The husband (Late Shri Sarabjeet Singh) of the complainant Smt. Jasvir Kaur on had purchased a policy bearing No. 131739883. The DLA expired on 03.07.2007 with an accident. She had received the death claim payment from the insurer but the insurer had not paid the DAB payment so far.

FINDINGS: The insurer submitted that there is no evidence on record to prove that the death has occurred due to accident. No FIR was lodged, No Post Mortem was conducted and there was no investigation by police authorities. For the payment of Double Accident Benefit, it is essential that proof of death by accident is submitted by the complainant.

The representative of the complainant stated that the death was due to accident and the same had been confirmed by a statement completed by Sarpanch of the village Panchayat.

DECISION: Held that it had not been established that DLA was died due to accident so the Double Accident Benefit was not payable to the complainant.

DELHI **Case No. LI/DL-1/59/09**

In the matter of Smt. Satinder Kaur Vs
Life Insurance Corporation of India

AWARD dated 06.11.2009 DEATH

1. This is a complaint filed by Smt.Satinder Kaur (herein after referred as to as the complainant) against the decision of Life Insurance Corporation of India (herein after referred to as respondent insurance company) repudiating the death claim of her late husband Shri Mahinder Singh.

2. The brief facts are as follow"

3. Late Shri Mahinder Singh (life assured) had proposed for insurance for a sum of Rs.70000/- on 14.01.2005. LIC of India had got himself medically examined and accepted the proposal and issued policy to the deceased life assured. Unfortunately, the life assured had died on 22.09.2006. The respondent company after getting the necessary

forms filled in by the complainant has however rejected the claim on the ground that the life assured was suffering from Diabetes Mellitus Type-II which has been suppressed in the proposal form. Since there was suppression of material fact, the claim has been rejected.

4. I find that the above case at the time of underwriting was subject to medical examination by the LIC's doctor (EX:R1). In the medical examination report, the doctor had given a clean chit in respect of life assured's health at the time of under-writing. Secondly, on going through the facts of the case, I find that the claim was rejected by LIC after a lapse of two years from the date of commencement of the policy. And that being so, it is essential that LIC with the protection available to the life assured under Section 45 of the Insurance Act should satisfy all the conditions of the Section

5. Now going back to the proposal, though the life assured had not mentioned about the Diabetes Mellitus-Type-II in the proposal form, on going through the revised medical certificate submitted in pursuance of the specific orders of this forum, it is clarified that the cause of death was not directly attributable to the conditions of the health prior to his proposal. Secondly, LIC had to prove that whatever information that has been furnished in the proposal form has been made deliberately and with the intention to suppress the information to the insurance company as required under Section 45 of the Insurance Act. I find that these aspects have not been established. Therefore, merely, on the information furnished by the life assured which is also not denied by the medical examination conducted by the LIC panel doctor, the respondent company cannot deny the claim of the life assured. And also as per the cause of death certified by doctor does not confirm that there is direct nexus between the pre-proposal status of health and the cause of death of the life assured.

6. In the result, I am inclined to set aside the rejection letter of the respondent company and direct LIC of India to pay full sum insured along with the consequential benefit under the policy.

7. The complaint is disposed of finally.

8. The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

9. Copies of the Award to both the parties.

Case No. LI/Kotak/89/09
In the matter of Smt. Madhuri Rai Vs
Kotak Mahindra Old Mutual Life Insurance Company Limited

AWARD dated 19.11.2009 DEATH

1. This is a complaint filed by Smt.Madhuri Rai (herein after referred to as the complainant) against the Kotak Mahindra Old Mutual Life Insurance Company Limited (herein after referred to as respondent insurance company) in respect of non settlement of death claim of her son.

2. The brief facts of the case are that the son of the complainant late Shri Abhishek Rai had taken a life policy "Kotak Safe Investment Plan" with a basic sum assured of Rs.3,00,000/- on 02.01.2008. It was reported that the life assured had drowned and a claim was sought in respect of his death. The respondent company had naturally insisted for legal documents that are normally required to prove death, that is, FIR, Post Mortem etc. However, the complainant could not furnish any of those documents till date. The reason being the life assured drowned in the "Gangnehar" near Haridwar and his body could not be recovered and as such the above two documents were naturally could not be provided so far. As regards, the conduct of the Insurance Company is concerned in this case, they are following the proper legal procedure where a body is not found after alleged death. It is also true that the Indian Evidence Act requires lapse of at least 7 years before a person could be declared as dead. I have also gone through the instructions regarding claim on life policies which stipulate that in the event of death of a life assured where the legal proof of the same is not available; it will be in order for the Insurance Company to continue to collect the premium due on the policies until such time the death is established. Therefore, in the instant case, I am unable to find fault with the respondent company for not settling the claim so far and also to demand the premiums on the policy of the life assured.

3. However, in the instant case, I find that the death of the boy has taken place near Haridwar on 22.04.2008. Notwithstanding the provisions of the Indian Evidence Act in such cases, if a man is not found for one and a half years from the date of the alleged death, it can be presumed that, for all practical purposes, the man is dead. In the instant case, I can visualize the poignant state of mind of the parents of the boy who are not only suffering from for the death of their son but also they are denied the death claim by the Insurance Company (though for the technical reasons). Thirdly they are asked to pay even premiums in respect of the policy after the death of their son. Also keeping in view the claim guidelines provided by LIC of India in similar circumstances, I as a very special case, give the following directions without making a precedent for future cases:

   (i) The respondent company shall settle the claim based on the available circumstantial evidence, such as paper cuttings and also statements given by the parents and also others who have accompanied the boy. The respondent company may also obtain an Indemnity Bond from the complainant to the effect that in the event their son is found alive, the amounts settled by way of death claim will be returned to the Insurance Company.

   (ii) The premium may not be collected from the complainant after the date of drowning of the boy, that is, 22.04.2008. In case, they have collected any premium subsequent to the date of the drowning of the boy, the same may be refunded while settling the claim.

The respondent company need not consider the Double Accident Benefit in this claim at all.

4. With these directions, the complaint is disposed of.

5. The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

6. Copies of the Award to both the parties.

Case No.LI/Tata AIG/181/09
In the matter of Shri Avtar Singh Vs
TATA AIG Life Insurance Company Limited

AWARD dated 26.11.2009 DEATH

1. This is a complaint filed by Shri Avtar Singh (herein after referred to as the complainant) against the Tata AIG Life Insurance Company Limited (herein after referred to as respondent insurance company) in respect of death claims arising out of death of Shri Parminder Singh who was insured for his life by the respondent company under above two policies.

2. The brief facts of the case are that the claims of the life assured was rejected by the respondent company on the ground that proposals of life insurance for the life assured were given on 29.07.2004 & on 30.09.2004. Based on the information furnished in the proposal forms and all the required data was normal, Policy No.C100757910 "Assure 30 years Security & Growth plan" for a sum of Rs.1,50,000/- and policy No.C100757907 "Assure Golden" plan for a sum assured of Rs.2,80,000/-were issued to him on 11.08.2004 and 11.10.2004 respectively. However, the life assured had died on 09.11.2004 within one month from the inception of the policy No.C100757907.

3. The respondent company has rejected the claim on the ground that on enquiry and investigation it has come to light that the life assured was congenitally mentally challenged and was dependent on others for carrying out even daily activities of living. In other words, he was physically not at all in good shape at the time of proposal of the insurance. However, in the proposal forms, nowhere in the appropriate column, he has mentioned about the state of health resulting in the respondent company giving the policies covering his life.

4. I have gone through the proposal forms and also the investigation report submitted by the respondent company. It is established beyond doubt that there was complete suppression about the physical state of health of the life assured in the proposal forms. The fact of his mentally challenged condition has been established by the investigation report conducted by the respondent company.

5. Since there is suppression of very material facts leading to the issuance of the life cover, the respondent company is justified in denying the liability under the policy since there was active suppression of his state of health and as such, the contract of insurance stands vitiated.

6. However the respondent company vide their letter dated 13.11.2009 have offered to settle the claim on ex-gratia basis for Rs.75000/- under policy No.C100757910 and Rs.140000/- under policy No.C100757907.

7. In view of the above gesture of the respondent company, I find the same to be very reasonable especially when the claims otherwise are not tenable. I, therefore, confirm the offer of the respondent company as shown above and direct the company to release those payments to the claimant/nominee.

8. The complainant shall not have any more remedies under this complaint. The complaint is disposed of accordingly.

Copies of the Award to both the parties.

Case No.LI/178/Max/09
In the matter of Shri Daya Shankar Chaturvedi Vs
Max New York Life Insurance Company Limited

AWARD dated 27.11.2009 DEATH

1. This is a complaint filed by Shri Daya Shankar Chaturvedi (herein after referred to as the complainant) against the decision of Max New York Life Insurance Company Limited (herein after referred to as respondent insurance company) for denying the death claim of his son in respect of above policies taken with the respondent company.

2. The brief facts of the case are that the deceased son of the complainant was covered under the above policies, details of which are as under:

Policy No.240074864	**Policy No.240074872**
Date of Proposal : 18.02.2004	18.02.2004
Sum Assured : Rs.10,00,000/-+ Accrued bonus	Rs.5,00,000/- +accrued bonus
Premium : Rs.10613/-	Rs.7282/-
Mode : Half Yearly (Feb.& Aug)	Half Yearly (Feb. & August)

3. As could be seen from above, half yearly premiums due under both the policies fall on 18th Feb & 18th Aug. respectively each year. It is alleged by the respondent company that premiums due on 18.08.2008 were not received after applying the grace period of one month and since no premiums have been received under the policies even on 17.09.2008,

the policies have lapsed. However, premium cheques in respect of above policies purportedly have been deposited by the complainant on 18.09.2008. After the lapse of the above policies and having received the cheques even after the lapse of grace period, the respondent company had reinstated the policies w.e.f. 24.09.2008. As per records available, the cause of death of the life assured is due to suicide. The respondent company quotes the respective Clause 8 "Suicide Exclusion" which is as follows:

Notwithstanding anything to the contrary stated herein, if the life insured commits suicide, whether sane or not at the time, within one year from the later of:

D. the effective Date of coverage; or
E. the date of policy; or
F. the date of any reinstatement,

then the policy coverage shall come to an end simultaneously with the occurrence of such event, and the liability of the company shall be limited to refund of the Premiums(s) received, without interest, less any expenses incurred by the company.

4. Since the death of the life assured had occurred within one year from the date of reinstatement of the policy, keeping in view the above Exclusion Clause, the claims have been rejected.

5. I have gone through the various facts. It is clear that the premium cheques were dropped in their collection box. The respondent company claims that the premiums were received by them only on 18.09.2008 and they have reinstated the policies on 24.09.2008 despite the same having lapsed on 17.09.2008.

6. As could be seen, from the statement of the complainant, that they have never informed the complainant about the lapse of the policies due to receiving of the cheque after the grace period and that they have reinstated the policies at their own without having informed him about the status of the policies. The first time that he has come to know about the lapse and the reinstatement of the policies was only when he has sent the death intimation to the respondent company.

7. Since there is no concrete proof as to whether or not the complainant had actually deposited the premium cheques before the date of the lapse period, I have only to go to some other aspects of the claim denial based on the exclusion clause regarding suicide. On going through the facts submitted by the respondent company, it is clear that they have reinstated the policies on their own and as per their internal reinstatement guidelines according to which the policy gets reinstated within 180 days from lapse date, without any documents, late fees charges/HDF (Health Declaration Form).

8. I am not very inclined to agree with the stand taken by the respondent company regarding treatment of suicide clause. Normally if a policy lapses, the consent of the life assured is generally taken and Health Declaration Form (HDF) etc are obtained before the same is

reinstated. Had they taken those steps, it would be right to say that the inception of the policies for the purpose of Suicide Clause would be counted from the date of reinstatement. From the facts available and as respondent himself admits that the above reinstatement of the policies have been made sue-motto and as a consequence of their internal guidelines which permits automatic reinstatement if the premium is received within 180 days from the date of lapse. Secondly, they have not even informed the insured about the lapse condition and the fact of having been reinstated etc. I hold that having reinstated the policies automatically without complying with any formalities like consent letter from the insured and HDF form etc, the effect of the reinstatement of the policies would not constitute a break in the continuity of the policies. Therefore, I am not in agreement with the respondent company in relying on the suicide clause for rejecting the above claims.

9. For the reasons discussed above, I hold that the period of one year could be taken only from the original date of inception of the policies and not from the date of reinstatement of the policies.

10. In the result, I direct the respondent company to settle the death claim in respect of both the policies arising out of death of the life assured and full benefits accrued thereon.

11. The complaint is disposed of accordingly.

12. Copies of the Award to both the parties.

Case No.LI-JP/15/09

In the matter of Sh. Hanuman Prasad Dangayach Vs
Life Insurance Corporation of India

AWARD dated 11.01.2010 DEATH

1. This is a complaint filed Mr. Hanuman Prasad (herein after referred to as the complainant) against the decision of LIC of India D.O.- Jaipur (herein after referred to as respondent Insurance Company) in respect of rejection of death claim pertaining to his son Late Sanjay Dangayach. Brief facts of the case are as follows:

2. That the deceased had taken the life policy with the respondent company with effect from 21.03.2006 for sum insured of Rs.2 Lacs. However, the life assured died on 26.04.2008 due to some breathing problem. The claim was preferred by the nominee under the policy Shri Hanuman Prasad who happens to be the father of the life assured. The respondent company had however, rejected the claim on the ground that the life assured had suppressed his state of health prior to taking the policy relating to his breathing problem etc. and as such the claim was rejected for suppression of material facts. The

claim was however rejected vide their letter dated 30.09.2008 i.e. after lapse of more than two years from the inception of the policy. I have gone through the various medical reports relating to the treatment taken by the life assured upon which the respondent company is relying for rejecting their claim.

3. After going through all the medical papers at Sawai Mansingh Hospital, I find that all the treatment are pertaining to the year 2007 and not a single medical papers are made available prior to the date of inception of the policy. Even otherwise Section 45 of the Insurance Act prohibits the respondent company from rejecting the claim merely based on suppression of facts unless it proves that the same has been done with deliberate intensions to defraud the company. The respondent company could neither prove that the treatment was taken before the inception of the policy nor could it withstand the mandatory requirements of Section 45 of the Insurance Act.

4. In the result I am afraid the rejection of the claim is not sustainable within the meaning of the Section 45 of the Insurance Act. Therefore, I hold that the rejection of the claim is not justified and as such I direct the respondent company to release the full sum assured along with all other benefits to the complainant being the nominee under the policy.

Case No.LI-Bk/59/08

In the matter of Smt. Roshni Devi Vs
Life Insurance Corporation of India

AWARD dated 11.01.2010 DEATH

1. The previous Ombudsman vide his order dated 21.05.2009 had interalia directed the respondent LIC to conduct the inquiry about the financial earning capacity of the Life Assured before passing final order in the matter.

2. Subsequently, in pursuance of the above interim Award, LIC of India had conducted an inquiry and the inquiry report is submitted herewith.

3. On going through the inquiry report the following facts have come to the light:
   - Deceased Balbir Singh has been staying in joint family with his two brothers.
   - The family owns 55 bighas of agriculture land a dairy farm in sadulpur. They are also having one shop of electrical goods and one shop for animal fodder for the last 15 years.
   - Life assureds' son died in the year 2007 due to drowning at his maternal uncle's village. Due to this the deceased life assured had some depression. No treatment particulars are available for the deceased life assured.
   - Their business was being looked after by him i.e. Mr. Balbir Singh alongwith his brother but their share of business income is not known.

4. From the above it can be said that LIC could not prove conclusively that the life assured was not having sufficient income as claimed in the proposal. Even regarding state of his health no concrete proof could be brought by LIC to the contrary. Therefore, the grounds for rejection of the claim by the LIC are not justified.
5. I have seen that there are three policies issued as per the details given below:

Policy No.	Prop. Date	Sum Assured
501416063	30.01.2004	Rs.51,000/-
501657651	04.02.2006	Rs.2,00,000/- (High risk policy)
501661745	13.05.2006	Rs.5,00,000/- (High risk policy)

6. As regards second and third policy they were admittedly high risk policies. This postulates that LIC is aware of the risk factors and having given the policies fully aware of the heavy risk involved, they cannot at this stage come with defenses relating to his health. Also as already mentioned in the previous interim Award no contrary medical conclusive facts could be brought against the deceased by the LIC.

7. Therefore, I direct the LIC to settle the claims in respect of all the three policies with all the benefits along with interest @ 8% from 15.04.2008 till the date of payment as LIC has delayed the settlement of the claim without valid justification.

Case No.LI-JD/170/09

In the matter of Smt. Mafi Devi Vs
Life Insurance Corporation of India

AWARD dated 15.01.2010 DEATH

.

1. This is a complaint filed by Smt. Mafi Devi (herein after referred to as the complainant) against the decision of LIC of India, D.O- Jodhpur (herein after referred to as respondent Insurance Company) in respect of death claim of Late Shri Khima Ram Patel who was covered under the life policy for a sum of Rs.2,50,000/- from 20.01.2007. The brief facts of the case are as follows:

2. That the life assured had died on 31.03.2008. The respondent company after having processed the claim have rejected the same on the ground that there was suppression of his condition of health in the proposal form whereas there is evidence to suggest that he was suffering from some ailments. Therefore, since there is violation of good faith in suppressing his state of health, the claim has been rejected.

3. I have gone through the various papers and I am really surprised as to how the respondent company merely based on one small prescription that too for just small tablets has arrived that there has been suppression of facts. I am afraid that the respondent company without applying its mind on the facts of the case and in the absence of any serious ailments having been treated in a hospital or otherwise have merely based on minor prescription

for tablets that too ailments relating to constipation etc. have committed a grave error in denying the claim. I have also found that the life assured had taken many other policies from time to time suggesting that there was no mallafied intention in taking the present policy.

4. I therefore direct the respondent company to settle the claim for full sum assured with all accrued benefits under the policy. I only trust that the **LIC Divisional office will in future not resort to repudiating the claim on such trifle grounds without applying their mind.**

Case No.LI-HDFC/16/10

In the matter of Smt. Seema SharmaVs
HDFC Standard Life Insurance Company Limited

ORDER dated 23.02.2010 DEATH

1. Smt. Seema Sharma has made a complaint to this Forum on 08.01.2010, against HDFC Standard Life Insurance Co. Ltd. regarding non settlement of death claim under policy no. 11872833 on the life of Late Shri Manish Sharma.

2. On intervention of this office, we have now been informed by HDFC Standard Life Insurance Co. Ltd. vide their letter dated 09.02.2010 that they have settled the claim in favour of Smt. Seema Sharma for Rs.7,20,000/- vide cheque no.153473 dated 18.11.2009 drawn on HDFC Bank, New Delhi. The complainant has also confirmed having received the payment.

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

4. Hence the complaint is disposed of.

5. Copies of the Order to both the parties.

Case No.LI-JD/02/10

In the matter of Smt. Babli Devi
Vs
Life Insurance Corporation of India

AWARD dated 16.03.2010 DEATH

1. This is a complaint filed by Smt. Babli Devi (herein after referred to as the complainant) against the decision of LIC of India D.O.- Jodhpur (herein after referred to as respondent Insurance Company) in respect of non settlement of death benefit in respect of policy taken by her late husband Shri Kalu Ram Chaudhary (Life Assured). Brief facts of the case are as follows:
2. The life assured had taken a policy with the LIC of India for a sum assured of Rs.50,000/- on 11.09.2006. Thereafter, in the month of March 2007, the policy lapsed due to non-payment of premium. Subsequently, the policy was revived w.e.f. 20.05.2008 based on Declaration of Good Health (DGH). Subsequently, the life assured died on 15.07.2008 within two months from date of revival of the policy. The respondent company had rejected the claim on the ground that the life assured was in fact suffering from Carcinoma of Urinary Bladder (Cancer) and whereas he had suppressed the state of his health and treatment details in the DGH, thereby suppressing the material facts relating to his health.

3. The respondent company had produced medical records taken from Apollo Hospital, Ahmedabad to confirm that he was in fact suffering from the cancer and treatment has been given to him in this connection. The hospital records confirm that he was under treatment from 25.05.2007 which has ultimately caused his death.

4. On going through the revival and DGH, it is observed that revival of the policy has been done on 20.05.2008 this establishes that he was suffering from cancer and has been taking treatment in May 2007 while the same has been suppressed in his DGH at the time of revival of his life policy. Therefore, I am unable to interfere with the decision taken by the respondent company in denying the death claim due to suppression of his serious health condition at the time of revival of the policy.

5. However, in the course of personal hearing, I find that the complainant Smt. Babli Devi and her son are in a penuary condition and have no source of income or no support from any corner. Their financial condition seems to be miserable and as such they deserve some help.

6. Therefore, I Award sum of Rs.25,000/- by way of exgratia to the complainant.

CHENNAI

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-031/2009-10 dated /10.10.09.

Complaint no 21.002.2164.dated05.06.2009.
Mr M.M.Valliappan vs SBI Life insurance.

DEATH

The complainant had taken a SBI Mutual fund policy in her wife's name for a sum assured of rs 1,25,000 with 5 years term and annual premium of rs 25,000.His wife died on 31.07.2008.The insurer rejected the claim on the ground that the assured had given false information reg her health at the time

of taking her policy on 20.11.2007.Late V.Alamelu was diagnosed for coronary artery disease and heart disease prior to the date of commencement of the policy and this was not disclosed at the time of entering into the contract.

Award dated-10.10.2009.

The insurer had mentioned that the LA had died due to congestive cardiac failure as per the medical opinion.On a perusal of the documents submitted by the insurer it revealed the following;

Report dated 03.02.06 from SAMclinical lab shows insured's blood sugar reading as 173.3mg/dlas against the normal value of 80-140mg/dl

Report dated 04.06.06 from the same lab indicated insured's blood sugar reading as 200.8.mg/dl as against the normal value of 80-160mg/dl.

As per report dated 28.08.06 from the same lab blood sugar reading was 220.4 mg/dl as against the normal value of 80-160mg/dl.

As per Echo cardiograph report dated 08.03.2006 from karaikudi scan center the insured was diagnosed for coronary artery disease,AkineticIVS,LVApex,Dilated LA,Mild LVSystolic Disfunction and Mild mitral regurgitation.

The complainant had admitted that all the above tests had been done for his wife and as can be seen it was all done prior to the date of proposal ie;20.11.2007.All the above records prove that the life assured was suffering from Heart problems and Diabetes Prior to taking the policy and had suppressed these material facts in the proposal form.Hence denial of death claim for the basic sum assured is fully justified and since this is a unit linked insurance policy the insurer had settled the fund value as on date of intimation of death of the life assured amounting to rs 12,543.on 30.09.2008.The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-032/2009-10 dated /12.10.09.

Complaint no 21.016.2236 dated13.07.2009.
Smt Selvi Anandavel vs Shriram life insurance co ltd.

DEATH

The deceased LA had taken two Shrinidhi policies from Shriram life insurance co ltd for rs 1lakh and rs 3 lakhs for a term of 15 years and 18 years on 17.07.2006 and 19..11.06 respectively.He died due to ventricular arrhythmias on 04.05.2008. The insurer denied the claim on the ground that assured had withheld material information reg; his health at the time of taking the policies.According to the insurer Late shri Anandavel was suffering from Diabetes Mellitus for the past 20 years and was also a known case of coronary Artery disease and these were not disclosed while taking the policy.

Award dated-12.10.2009.

From the records it was observed that the primary cause of death is ventricular Arrhythmias and the secondary cause is coronary Artery disease left ventricular disfunction as declared by the Doctor in claim form B dated 20.06.08.As per the discharge summary issued by the Meenakshi mission Hospital the LA was admitted on 29.04.08,underwent CABG surgery on 01.05.08 and died on 04.05.08.The discharge summary has also mentioned that the patient is a case of Coronary artery disease,Diabetes Mellitus,severe LV disfunction admitted and underwent Coronary Angiogram on 29.04.08

The preoperative assessment report dated 30.04.2008 has indicated that the life assured was diagnosed for CAD and DM and CABG surgery was proposed.It was also mentioned that the life assured had history of MI old ASMI and diabetes mellitus history of 20 years.It was observed that the report mentions only old ASMI without indicating the duration and hence the onset of coronary artery disease cannot be precisely dated back to pre proposal date.

The complainant had also mentioned that LIC and Bajaj Allianze Life Insurance with whom her husband had taken policies have setlled the claim. This was also not disclosed by the LA in the proposal form of Shriram Life insurance at the time of taking the policy. In the present case the complainant who is the wife of the LA happens to be the agent who has introduced the above two policies.

Taking into account all the factors it is felt that the likelihood of suppression of material facts in the proposal by the LA cannot be ruled out. At the same time insurer has not been able to clearly establish pre proposal illness of the LA.The life assured was medically examined by the insurer's Doctor at the time of taking the second policy for rs 2 lakhs.Therefore to ensure justice is not denied to either of the parties the Insurer is directed to pay an Exgratia Award of rs 50,000/=

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-033/2009-10 dated /20.10.09.

Complaint no 21.01.2264 dated 22.07.09.

Dr.Tarun Sharma vs LIC.

DEATH

The deceased LA had taken a Money plus policy for Rs 1lakh commencing from 26.04.07.and died due to massive intracerebral hemorrhage on 28.8 2007.The insurer denied the claim on the ground that the deceased LA had withheld correct information regarding her health in the proposal form. She was a known hypertensive and was on steroids for Arthritis since 6 months. These facts were not disclosed in the proposal form and the claim was repudiated.

Award dated –20.10.2009.

The LA had taken treatment at Apollo Speciality Hospital from 22.08.07 to 28.08.07for terminal illness and they have mentioned in the discharge summary that the insured is a known Hypertensive on losartan and was on steroids for arthritis since 6 months. Earlier to admission in Apollo she took treatment at Mercury Nursing Home from 19.08.07 to 22.08.07 where she was diagnosed for Right Hemiparesis and Hypertension. Dr.Subbarao consultant Nephrologist who has issued the Medical attendant certificate (form b) and certificate of hospital treatment also confirms that the insured had history Arthritis–6 months. The insured had died within 4 months 2 days of taking the policy. It has therefore been proved that the insured had not disclosed all the facts about her health and also details of other policies she had taken in the proposal form. The insurer had settled the fund value under the policy ie, Rs7755/-on 10.07.08 and settled claim in respect of other policies for a total amount of Rs1190000/-.In the context of facts mentioned above, suppression and nondisclosure of material facts having been proved, the action of the insurer in repudiating the claim was felt justified. The complaint was dismissed.

****

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-034/2009-10 dated /23.10.09.

Complaint no21.02.2271.dated 27.07.2009.

Smt .R.Rama vs LIC

DEATH

The deceased LA had taken LIC ULIP Money plus policy for rs 1 lakh from 14.08.2007 and he died due to brain haemorrage on 28.04 08.The claim was denied on the ground that the deceased had not disclosed material information regarding his health at the time of taking the policy.He had fallen from the bed and had history of head injury a few days prior to insurance. He had recurrent episodes of vomiting since then. Further he had taken treatment for psychiatric problem for 7 years and diabetes for 3 years.

Award dated-23.10.2009

The LA was admitted at Apollo Speciality Hospital on 27.04.08 and he died on 28.04.08.The diagnosis and cause of death is reported as old case of Right Medial frontal High grade Glioma (post surgery,post radio therapy

and post chemotherapy.),Hypertension,Diabetes mellitus,Seizure disorders,and gastric bleed. It was also recorded that he had undergone radiotherapy along with concurrent chemotherapy between 07.09.2007and 19.10.2007.For the above the insured was hospitalized from 25.08.2007 to 21.09.2007.It was also mentioned that the insured was a known case of Diabetic and hypertensive and history of psychiatric illness. The insured was admitted in the Hospital just 11 days after taking the policy. In the case sheets of Apollo Speciality hospital for the period 12.10.2007to 15.12.2007 they have mentioned that the LA had history of hypertension, history of mental depression for 7 years, history of diabetes for 3 years. The life assured had not disclosed in the proposal form all the above facts at the time of taking the policy. Therefore suppression of material facts had been proved beyond doubt in this case and repudiation of claim by the insurer is justified. However it has been observed that the bid value has not been paid and hence insurer have been advised to pay the bid value under the policy alongwith interest from the date of intimation of death to the date of payment as per IRDA guidelines. The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-035/2009-10 dated /30.10.09.

Complaint no 21.08.2270 dated 31.07.2009.
Shri R.Ekambaram vs LIC.

DEATH

The deceased LA had taken JEEVAN SATHI (Double cover joint life plan) under plan 89 for rs 1lac and she died on 22.02 2004 due to heart attack. The claim was denied by the insurance co on the ground that the assured had withheld correct information regarding her health at the time of taking the policy. As per the version of the insurer she was suffering from ISCHAEMIC HEART DISEASE and was taking treatment and this was not disclosed in the proposal form at the time of taking the policy. Medical examination was also done before taking the policy and the Dr has given a clean report.

Award dated-30.10.2009.

The investigating officer had contacted the usual medical attendant of the diseased and he has informed that he could not exactly identify the person since on an average he treats more than 200 patients at the govt hospital and his clinic. However the DR had given a letter and he has stated that the life assured Mrs.E.Baby was treated for Ischemic Heart Disease and she expired due to Acute Myocardiac Infarction on 22.02.2004.The Dr neither confirms that he treated the insured nor confirms when she was treated. It was not clear whether she was treated few days prior to the proposal date or few days prior to

the death. Further the LA was medically examined at the time of submitting the proposal and the LIC panel Dr has answered negatively to the question "Are there any symptoms or signs suggestive of abnormality of cardiovascular system and respiratory system"

Taking all the above factors into account it is seen that the insurer could not clearly establish that the life assured was suffering from Heart disease prior to the date of proposal and the complaint is allowed. The insurer was advised to settle the basic sum assured under the policy and to continue the policy as per policy terms and conditions.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-036/2009-10 dated /30.10.09.

Complaint no21.015.2296 dated04.08.2009.

Mr Arulgnanam.B vsBharathi Axa life insurance co ltd.

DEATH

The deceased LA had a taken life policy Future confident II for rs 3 lakhs with Bharti Axa life insurance for a term of 44years and she died on 12.11.08.According to the complainant his wife was having Epilepsy earlier and consulted a doctor for treatment. He has informed that after taking tablet she was all right.

The insurer denied the claim stating that the insured was suffering from Epilepsy as per the medical records collected by them and this was not disclosed to them at the time of taking the policy. In view of this the insurer had mentioned that they were denied the opportunity of evaluating the risk properly due to suppression of material facts.

Award dated-30.10.2009.

The hospital treatment Certificate has been issued by Sri Narayani Hospital and Research center Vellore where they have mentioned that the insured had taken treatment in their hospital from 15.11.06 to 16.11.06for AGE+fever.The case sheets had also indicated that the LA was having history of Seizure disorder on T.Eptoin from 11/2 years., clinical diagnosis-AGE-fever for evaluation-seizure disorder, and epilepsy since 6 years. The life assured was a post graduate working as a teacher and she must have been aware of the disease and the miscarriage she had during April 2007. She has not disclosed while answering q 7(3) (k) on Epilepsy Q7 (6) (b) on miscarriage. Since suppression of material facts have been established insurer are justified in repudiating the claim and since the policy was a ULIP policy fund value of Rs 2,435.98 was settled. The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-037/2009-10 dated /30.10.09.

Complaint no-21.08.2346. dated 21.08.2009.
Smt .G.Lakshmi vs LIC

DEATH

The deceased LA had taken two LIC policies for rs 50,000 each on 19.11.2004 and 15.11.2004.and died on 26.11.2005 due to accidental drowning. The claim was denied on the ground that the LA had not disclosed the previous policy in the proposal form whereas he was having another policy no 733306119 for a sum assured of rs 1 lakh.

Award dated-30.10.2009.

The insurer had informed that the LA was also having totally three policies and the assured had not mentioned the first policy particulars in the proposal form of his subsequent two policies. The death intimation was given only for the first policy and the claim for this was settled for Rs 2,09,200/= on 20.02.07 including accident benefit. Again in Aug 2007 the nominee had given death intimation for the other two policies. According to the insurer they came to know about the first policy while processing the claim for these two policies. The claims under the second and third policies were repudiated as the LA had not mentioned the first policy in the proposal form of 2nd and 3rd policies. Had he disclosed the same they would not have given the fresh policies. Further they have also mentioned that the life assured was eligible for a maximum cover of Rs 1lac only since he did not have standard age proof.

It is observed that generally proposal forms are filled up only by the agents and in the present case the agents who had given the 1st policy and 2nd and 3rd policies are different. The agent had also mentioned in his explanatory letter dated 6.2.2008 that he was not aware of the fact that he should mention the previous policy particulars in the subsequent proposal form. Therefore we cannot conclude that the insured had deliberately withheld previous policy particulars. The ration card though a non standard age proof is rated as a better age proof and higher sum assured is allowed in these cases. Taking into account all the factors the insurer could have taken a lenient stand and there is no justification for the insurer to repudiate the claim. Hence insurer is directed to settle the death claim under both the policies for basic sum assured inclusive of bonus and accident benefit. The complaint is allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-038/2009-10 dated /12.11.09.

Complaint no 21.07.2291dated03.08.2009.
Mr K.Paulraj vs LIC.

DEATH

The deceased LA had taken an endowment policy for a sum assured of rs 50,000on 28.08.07.and died on 05 10.2007 due to typhoid fever. The insurer had mentioned that that the deceased had suffered from rheumatic heart pain about two years before the proposal for which she had taken a treatment in a hospital. This was not disclosed by her in the proposal. And hence the claim was rejected by the insurer.

Award dated-12.11.2009.

As per Claim form B1 the primary cause of death is reported as Cardiac failure Rheumatic fever and secondary cause as Bronchial congestion. The Dr has further mentioned that the insured was diagnosed for Rheumatic pain – fever during her life time in 2005 and was suffering from the disease since then and that he treated her during 2005-2007.The Dr has confirmed in Claim form B2 that she was treated as outpatient for fever with joint pains and was advised to take pencilin injection monthly .She last attended on 30.09.2007 on which date she had swelling in the joints and fever. However the complainant who is the father of the life assured contended that his daughter died of Typhoid fever. The complainant has also confirmed that his daughter was admitted in Govt Hospital on 28.09.07 and was diagnosed for Anaemia.These indicate that the insured was not enjoying good health prior to the submission of the proposal dt 30.08.07.

The age of the life assured as per death certificate was 30 years whereas age was admitted in the policy as 22 years based rationcard.When this was pointed out the complainant he admitted that she was born in 1976 and age was wrongly mentioned in the rationcard.Therefore it was concluded that confirmation of Dr mentioning that the insured was suffering from Rheumatic fever seems to be a clear possibility and hence the decision of the insurer in repudiating the claim is justified.The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-039/2009-10 dated /18.11.09.

Complaint no 21.08.2318.dated 18.08.2009.
Smt Seethalakshmi.K.vs LIC.

DEATH

The deceased LA had taken a Bima gold policyfrom lic for a sum assured of rs 60,000 commencing from 28.12.05.and died on 08.03.08 due to liver cancer.The insured had informed that lic had repudiated the claim due to understatement of age by 5 years and nondisclosure of diabetic. The complainant, wife of the deceased had also mentioned that the agent had issued two more policies with school certificate as age proof and in the present case the agent in order to avoid medical examination had produced voter ID card as age proof where the age is wrongly mentioned.

The insurer had denied the claim due to incorrect information reg; the age and suppression of diabetic for the last 15 years.

Award dated-18.11.2009.

It was observed from the records produced by the insurer that the insure was admitted to Christian Medical hospital ,Vellore from 29.02.08 to 05.03.08.where he was diagnosed for Carcinoma of Gall Bladder Multiple Liver Metastatis and Diabetes Mellitus Type 2 It was also mentioned that he was a known Diabetic for 15 years.

As regards the age the insured had mentioned his date of birth as 22.07.1950 and had submitted Voters ID card as age proof. As per this the age of the insured is shown as 44 years as on 1.1.95.Hence age of the insured was admitted as 55 years while underwriting the proposal on 30.12.2005.

It is also observed that the insured had taken two more policies subsequent to the policy under dispute and the insured had given school certificate as age proof for these two subsequent policies. As per this date of birth of the insured is 22.07.1945.and since this can be taken as correct age proof his actual age at entry 0n 30.12.2005(the date of proposal of the policy under dispute) would be 60 years 02 months. Hence there is under statement of his age by 5 years.

The insurer have mentioned during their arguments that they would have called for special reports while underwriting proposals of persons aged above 60 years Because of understatement of age insurer was denied the opportunity of assessing the risk properly. The insured had also not disclosed that he was suffering from diabetes for the last 15 years in the proposal form. Therefore insurers are justified in repudiating the claim due to suppression of material facts.The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-040/2009-10 dated/24.11.09.

Complaint no 21.08.2356.dated 27.08.2009.

Smt .S.Alamelu vs LIC.

DEATH

The deceased LA had taken new jan raksha policy for rs 50,000 on 28 04 03 and died due to heart attack on 11.07.07.The insurer had denied the claim on the ground that the deceased had suffered from chronic obstructive pulmonary disease for which he took treatment in a hospital during pre revival period. He withheld the information at the time of reviving the policy and hence the claim was denied by the insurer.

Award dated- 24.11.2009.

The policy which had lapsed was revived on 22.08.2006and according to the insurer the insured was suffering from Chronic obstructive Pulmonary disease and this fact was not disclosed by the insured in his personal statement at the time of reviving the policy.

Earlier the insured was also admitted at Govt General Hospital Chennai from 10.03.06 to 20.03.06 and as per the case notebook the patient was suffering from intermittent episodes of Breathlesness for more than 10 years. He was diagnosed for COPD with acute exacerbation, respiratory failure.

Though the action of the insurer in setting aside the revival of the policy is justifiable due to suppression of material facts by the insured it is to be noted that the policy has run for more than 3 years and the complainant has also requested for sympathetic consideration of the claim due to her dependent three children. Considering all the above an Ex-gratia amount of Rs15,000/=is awarded. The complaint is partly allowed on Ex-gratia basis.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-041/2009-10 dated /26.11.09.

Complaint no 21.02.2366 dated 31.08.2009.
Smt .A.Vasanthi vs LIC.

DEATH

The complainant wife of the deceased LA had mentioned that her husband took LICpolicy for rs 55,000on 28 12 04 and died on 19.09.07.The claim was repudiated by the insurer on the ground that the deceased had not disclosed his previous illness and the treatment taken in the proposal form. The LA was suffering from Diabetes Mellitus, cirrhosis with portal hypertension for nearly 2 ½ years before commencement of the policy and the insurer had collected documents to prove that the deceased had taken treatment from hospital in June 2002 for the above.

Award dated-26.11.2009.

The cause of death as reported in the claim form B by the hospital is shown as Cirrhosis of lever with portal Hypertension /Oesophageal and Gastric Varices/Anemia and Cardio Respiratory arrest.Prior to the death the insured had taken treatment in the above hospital on several occasions The insurer had submitted the discharge summary of the insured for the periods 12.06.02to 25.06.02,19.11.03 to22.11.03,which pertains to the preproposal date and for the period 27.02.2005to 28.02.05 and 5.11.05 to 7.11.05 which relates to post proposal date. It was also mentioned in the report that the patient was a known case of Diabetic for the past 2 to3 years not taking treatment and a known alcoholic for a long time. The patient was operated on 16.06.02 for Spleenectomy with Devascularisation and was discharged on 25.06.02.

All the above indicate the fact of pre proposal illness which should have been declared in the proposal form. It was also observed that the proposal was accepted based on medical report and special report like England BST, tests conducted by authorized panel doctor of the insurer. The panel Doctor has certified as a fit case for insurance. The complainant had represented that she has to take care of two daughters having lost her son-in-law also in a road accident.

Considering the above an Ex-gratia amount of Rs10,000/=is awarded and the insurer was also advised to refund premium collected after of the death of the insured. The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-042/2009-10 dated /27.11.09.

Complaint no21.009.2380.dated 03.09.2009.
Smt K.Usha vs Bajaj Allianz

DEATH

The deceased LA had taken New family gain policy for 10 years from Bajaj Alliance life insurance co and paid two years premium @rs 25,000 p.a. The LA had expired on 14.08.2008due to Hyper Glycemiccoma and according to the complainant she had disclosed all the details to the agent and she was not aware as to why the agent had not mentioned in the proposal form. The insurer denied the claim on the ground of non disclosure of material facts at the time of taking the policy.

.

Award dated 27.11.2009.

The insurer had mentioned that the insured had not disclosed in the proposal form the fact that he was suffering from Diabetes for the past 15

years. The insured also had his foot2 toe abscess-amputation done and had severe neuropathy and protein urea and these facts were not disclosed in the proposal form dated 19.06.07.The cause of death as in the Medical certificate is Hyper Glycemic Coma/Diabetic Keto Acidosis.He had uncontrolled diabetes for the last 5 years and the Doctor has also mentioned that the insured had earlier taken treatment at Mv diabetic centre. The insurer had submitted hospital records of the insured to prove pre-proposal illness. As per discharge summary of MV Hospital for Diabetic the insured was admitted on 21.08.2000 and discharged on 03.09.2000 and was diagnosed for Type 2Diabetes Mellitus/RightFoot II toe Abscess/Severe Neuropathy/Protienuria.It was also mentioned in the report that the insured had diabetes of 15 years duration and had uncontrolled diabetes.

All the above facts clearly indicate that the insured was aware of his illness and still has not disclosed his illness in the proposal form. Therefore the repudiation of the claim by the insurer is justified .However the policy under question is Unit linked insurance policy and hence insurer was advised to pay to the claimant the fund value under the policy as on the date of death. The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-043/2009-10 dated /30.11.09.

Complaint no 21.07.2383.dated 07.09.2009.
Mr.S.Krishnan vs LIC

DEATH

The deceased LA had taken 3 policies from LICvallioor for a sum assured of rs 1, 60,000under Endowment plan and moneyplus plan. The LA had died on 27.11.07 due to heart attack. The claim was rejected by the insurer on the ground that the deceased LA had withheld information regarding her health at the time of taking the policy. According to the insurer the deceased was suffering from Coronary Artery disease for which she had taken treatment in a hospital and this was not disclosed in the proposal form

.

Award dated-30.11.2009.

The insurer had submitted the following documents to prove their contention that the insured had pre proposal illness

Letter dated 13.11.05 and certificate dated 13.03.08 from Duty Medical officer ,Vasanthan health centre ,Nagercoil confirming that the insured was admitted in their hospital for CAD on 11.11.05.and discharged on 16.11.05.

Letter dated 07.04.08 from Secretary Hindu Primary School,Kannangulam where the insured was working confirming that the diseased was on medical leave during the period 11.11.05-08.12.05.;07.02.06-23.03.06; and 04.10.07-27.11.07.Considering all the above it is clear that the insured was not enjoying good health when she proposed these three policies under dispute and she has not disclosed her illness in the proposal form.

The insurer has settled a claim on another policy which was issued on 28.03.05 for sum assured of Rs60,000 as this was taken before 11.11.05 when the insured was hospitalised. In the present three policies under dispute the insurer had settled the fund value under two Unit linked policies. Therefore it is opined that the repudiation of the claim by the insurer is justified and the complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-044/2009-10 dated /09.12.09.

Complaint no-21.08.2403.dated10.09.2009.
Smt .N.Latha vs LIC

DEATH

The deceased Mr.N.Nedunchezian took an endowment policy for rs 50,000 on 19.05.06 and revived his previous policy no 7312004179 (Jeevan mitra triple cover) on 10.07.06.He died on 13.09.07due to chronic liver and kidney disease. The insurer had denied the claim on the ground that the assured had withheld material information reg his health while taking the policy. The policy was also revived based on the personal statement of the assured on 10.07.06.The deceased had suffered from chronic liver disease and kidney disease for which he took medical treatment in a hospital prior to revival. Hence the claim was repudiated.

Award dated-09.12.09.

The insurer had mentioned that the insured had taken three policies and they have settled the claim under one policy. Out of the other two policies one policy for a sum assured of Rs 25,000was revived on 10.07.06 which is a high risk policy since it provides for thrice sum assured in case of death. As per claim form B Ramachandra hospital had mentioned that the insured was suffering from chronicliver disease and kidney disease since Jan 2006.The complainant had also submitted a certificate from Jipmer Hospital Pondichery which confirms that the insured was admitted in the hospital on 25.02.06 and discharged on 03.03.06.He was diagnosed for chronic Glomeronephritis and he has also consulted JIPMER Hospital on 11.02.06 in OPD for swelling of legs, abdomen and face. All the above facts were not disclosed in the proposal form

and also in the personal statement of health dated 08.07.2006 submitted for revival of the policy. Therefore there was clear suppression of material facts and hence insurer is justified in repudiating the claim. The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-045/2009-10 dated/22.12.09.

Complaint no-21.009.2405.dated11.09.2009.
Smt A.Geetha vs Bajaj Allianz life ins co ltd.

DEATH

The Complainant Smt Geetha had mentioned that her husband had taken life policy with accident benefit with Bajaj Allianz on 20 .08.06.and he died in a road accident on 17.08.08.The insurance company had settled the basic benefit of rs6,25,000 which is the sum assured and denied the accidental benefit of rs 6,25,000. The insurer had denied the accidental death benefit on the basis of breach of law. The accident had occurred on 17.08.08 around 5AM and the car hit a roadside tree while trying to overtake a vehicle .The complainant's husband and daughter died in the accident. It has been mentioned in the FIR that the accident has happened due to rash and negligent driving of the deceased and the insurer has taken the stand that it is breach of law and hence denied the accident death benefit.

Award dated-22nd Dec 2009.

During the hearing the insurer was asked whether he had investigated the case to find about settlement of clam for the damage to the vehicle and claim towards personal accident cover for the owner cum driver for which the insurer mentioned that he was not aware of the position. The insurer has taken the decision to repudiate the claim based on FIR where the case has been booked under Sec 279,337,304(a)of IPC and contended that since the vehicle was driven in a rash and negligent manner accidental death benefit is not payable due to breach of law. As per the Police Inquest Report dated 17.08.2008 the Inquest was held at Govt Hospital in the presence of Panchayatars who confirmed that the accident was caused by rash driving of Mr Arul selvan who was driving the car.

Whenever road accident takes place generally police authorities register cases under the above sections and Inquest is also held in the presence of panchayatars when death takes place. The accident had happened around 5AM in the early hours and his brother who was following him was the first to notice the accident there was no other person who had seen the accident. It is difficult to believe that the vehicle was driven in a rash and negligent manner

endangering his own life more so when his family members were also travelling with him. The speed at which the vehicle was driven at the time of accident is also not known. It is very likely that the accident had happened beyond the control of the deceased .Further no judicial verdict was passed in this case declaring that the deceased had committed breach of law.

The exclusion provides that Accidental Death Benefit shall not be paid where death occurs as a result of the insured person committing breach of law. This clause is to be applied only when the death is the direct consequence of breach of law and not when breach of law causes accident and injuries sustained therein produce death. One example is conviction of the life assured by a court of law for murder and subsequent execution. Death in that case is a direct consequence of breach of law. Therefore the clause refers to Death by Breach of law and not Death resulting from an accident caused by breach of law.

Considering all aspects I am of the opinion that the death of the life assured is due to accident and the exclusion clause is not applicable in this case. The insurer is directed to settle the Accidental death benefit of Rs 6,25,000/=.to the complainant.

The complaint is allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-046/2009-10 dated /28.12.09.

Complaint no 21.08.2428.dated 29.09.2009.
Smt.S.Shanthi vs LIC.

DEATH

The deceased LA was having three policies under SSS and all the policies were accepted under non medical scheme. He was working in BSNL as telephone mechanic. And died on 14.06.2006 due to heart attack. The insurer denied the claim on the ground that the deceased had withheld material information regarding his health at the time of taking the policy.LA had suffered from acute anterior wall myocardial infarction, hypertension, and diabetes mellitus type II for which he had taken treatment in a hospital. He was also habituated to drinking and smoking and all the above was agreed by the complainant. These were not disclosed in the proposal form and hence the claim was repudiated.

Award dated-28th Dec 2009.

The insurer had produced the death certificate issued by CMC Vellore where the cause of death has been mentioned as cardiogenic shock Acute myocardial infarction ,Type –II Diabetes Mellitus and Systemic Hyper

tension.In the certificate they have mentioned the secondary cause as old Anterior Wall Myocardial Infarction and the insured was suffering from the problem for the past 4-5 years. The insurer had also produced the discharge summary of another hospital indicating that the insured was hospitalized during Aug 2002 and was diagnosed for Hyper tension /Dyslipedmia/Diabetes MellitusType II and the risk factor was noted as chronic smoker/Alcoholic.

The complainant had also admitted that her husband was taking tablets for sugar and BP and admitted that her husband had smoking and drinking habits The proposals were submitted 28 .07.2003 and 15.06.2004 subsequent to the insured's hospitalisation in 2002 and it can be concluded that he has knowingly suppressed the material facts before taking the policy.

However it is to be noted that two policies had run for 2 years, 10 months and the third policy for 1 year 11 months and the insurer has received totally rs 47,739. Taking into account the financial hardship of the complainant and also by considering other aspects, an exgratia amount of rs 30,000/- is awarded.

The complaint is partly allowed on Exgratia basis.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-047/2009-10 dated /29.12.09.

Complaint no-21.01.2439.dated06.10.2009.
Smt.A.Nirmala vs LIC.

DEATH

The deceased LA had taken an endowment policy with lic for rs 50,000on 28 .04.05.and he died on 15.08.08 due to heart attack. The LA had revived the policy on 01.12.06 and 15.04.08.The insurer denied the claim on the ground that the assured withheld material information reg his health at the time of taking the policy. The deceased was suffering from Seizure disorder since 2001and this was not disclosed in the proposal form. According to the insured if he had disclosed the underwriting decision would have been different. Hence the claim was repudiated due to nondisclosure of material facts.

Award dated-29th Dec 2009.

As per the version of the insurer LA had answered no to all questions on ailments in the proposal even though he was suffering from DM, BP, Seizure disorder as was mentioned in the case sheet of govt hospital. The panel Doctor of insurer has not mentioned anything about the nervous disorder of the insured at the time of examining him and the insurer had clarified at the time of hearing that in the external examination it will be difficult for the Doctor to identify this disorder. The indoor case sheets of the patient has revealed that

H/O DM for 10 years on OHGS,SHT-8 years,Seizure disorder-8 years,old stroke-8 years, and IHD-2 years. Earlier to his admission in GGH he was admitted at Sri Ramachandra Medical centre from 10.08.2008.to 14.08.2008.In the past medical history it was clearly mentioned that he had Seizure disorder since 2001on T.Eptoin –2 hours,Ischemic Heart Disease since 2006 and a known case of hypertension, and Diabetes. The LA had disclosed the illness either at the time of taking the policy or at the time of revival. Hence insurer is justified in repudiating the claim on the basis of pre-proposal illness. However taking into account the financial condition of the complainant an exgratia amount of Rs10,000/= is awarded to be paid to the complainant. The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-048/2009-10 dated /30.12.09.

Complaint no 21.01.2442.dated07.10.2009.
Smt.GeethaMurthy vs LIC.

DEATH

The complainant had mentioned in her appeal that her husband had taken money plus policies for rs75,000 under single premium and rs 1lakh sum assured under yearly mode. The LA had died due to Cirrhosis liver on 31.12.2007.The claim was denied by the insurer on the ground that assured had withheld correct information regarding his health at the time of taking the policy. The assured had undergone Pathological tests and Bonemarrow Aspiration biopsy and these indicated that the insured was suffering from Hypocellular marrow showing thickened trabeculae extensive marrow fibrosis relatively preserved regakaryocytes. These facts were not disclosed in the proposal form and hence claim was repudiated.

Award dated-30th Dec 2009

As per the Death certificate and claim form B issued by civil Asst Surgeon, Govt KMC Hospital the insured was admitted in the hospital on 11.12.2007.and expired on 31.12.2007.The cause of death is reported as Cirrhosis of Liver, Hepatic Encephalopathy,Myelo Fibrosys and cardio respiratory arrest. The Dr has also stated that the insured was suffering from the disease since one year. He further certifies that the patient was a known case of Myelofibrosys treated with Hydroxyurea for one year. The investigating officer has also consulted treating Doctor who has informed that the insured was patient of Bone Marrow Cancer and submitted Biopsy reports. The insurer has also filed copies of lab reports from centre for blood disorder and as per the

report dated 22.11.06 the patient had come for evaluation of his gross Spleenomegally and Hepatomegally and the impression arrived was possible Idiopathic Myelofibrosis with bilateral lower limb lymphodema

The life assured was working as Medical representative and it is possible that he knew his ailment and he has not disclosed any of his disease in the proposal form. Therefore the repudiation of the claim by the insurer is reasonable and farther insurer while repudiating the claim under the two policies have settled the available fund value of Rs60,824 and Rs7,326/=respectively. The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-049/2009-10 dated /31.12.09.

Complaint no-21.01.2450.dated12.10.2009.
Smt .Jeeva Mohanaranganvs LIC.

DEATH

Dr.V.Mohanarangam the deceased LA had taken two policies ie;Jeevan Anand and Beema Gold for rs 1 lakh each on 27.07.05 and 27.09.05.He died on 09.03.07 due to heart attack. The complainant had informed that while taking the policies ECG,FBS,were taken and the policy was issued after collecting the reports. The assured was a Dr and retired from govt service. He went to Best hospital to take Endoscopic test for suspected ulcer but it was detected as cancer. Then he went to Stanely hospital on 09.08.06.and various tests were conducted and it was known at that time that he was also having diabetes. The claim was denied by the insurer on the ground that the assured withheld the information reg health at the time of taking policy. If he had disclosed the underwriting decision would have been different.

Award dated- 31st Dec 2009.

As per claim form B medical attendant's certificate dated 22.12.2007 issued by the Dr from Govt Stanely Hospital the cause of death is shown as Carcinoma Stomach. The duration of the disease was shown as 8 months. It was also observed that there was overwriting in both columns 4©and 4(e)

The Doctor who has attended the insured at V.S.Hospital has also issued certificate in Form B,B1stating that the insured had consulted him on 27.09.2006 with history of Gastrectomy and he was administered Chemotherapy.

Dr.R.Jeayachandran from Guest Hospital has also issued certificate stating primary cause of death as Cardio respiratory arrest and the secondary cause as Diabetes Mellitus and chronic renal failure.

3 sets of copies of case sheets from Govt Stanely Hospital have been filed before the forum. All the 3 sets are identical but for the information regarding history of past illness. In one of the sets in respect of past illness it is mentioned "known Diabetic"-NoH/O H/T Jaundice;In another set in respect of past illness it is mentioned as known peptic ulcer,no H/O H/T,Jaundice and the word Diabetic is erased and over that peptic ulcer is mentioned In the third set it is mentioned as "known case of DM,patient on treatment for the past two years not a HT/TB patient.In the discharge summary of sep 2006 it was mentioned as known case of DM for 30 years .In the subsequent treatment taken at Guest hospital in Jan/Feb 2007 in the discharge summary it was mentioned that the patient was a known case of DM since 30 years.

Considering all aspects it can be concluded that the assured was suffering from DM and peptic ulcer prior to the proposal and hence the decision of the insurer in repudiating the claim is justified. The complaint is dismissed...

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-050/2009-10 dated /08.10.10.

Complaint no-21.07.2449.dated12.10.2009.
Smt.P.Shanthi vsLIC.

DEATH

The deceased LA had taken an endowment policy for rs 50,000on 28.04.2005.and died on 19.11.2007.due to Cerebro vascularaccident as the primary cause and diabetes as the secondary cause.The assured had diabetes for a duration of 5 years and had a history of hypertension for which he was on treatment. These facts were not disclosed in the proposal form while taking the policy and hence the claim was rejected.

Award dated-8th Jan 2010.

The medical attendant has certified in claim form B that the primary cause of death was cerebro vascular accident and the secondary cause was Diabetic Hyper tension. The Doctor has further mentioned that Diabetes and Hypertension was first observed 4 years back and was treated at MV Diabetic centre Chennai and this was also informed by the patient's wife.

The insurer has also submitted a certificate issued by Dr Mohan'diabetic centre confirming the visit of the insured to their clinic in 2003with complaints of loss of vision in both eyes since 2 months,palpitation,frequent urination. The Dr has certified the duration of treatment as 5 years. The employer has also certified that the insured had taken no of days leave from 2003 to 2007.Taking all the factors it is clear that the LA was suffering from DM prior to the date of proposal and he has not disclosed the same in the proposal form.

However the policy has run for more than 21/2years and 3 yearly premiums have been paid. No doubt the repudiation of the claim by the insurer is justified but taking into account the financial hardship of the complainant's family an ex gratia amount of Rs 15,000/= is awarded. The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-051/2009-10 dated /18.01.10.

Complaint no-21.04.2454.dated13.10.2009.
Smt.A.Arthi vs LIC.

DEATH

The deceased LA had taken Jeevan Anand policy for rs 1lakh from 15.02.2005and due to nonpayment of premium the policy had lapsed. It was again revived on 04.12.06.and the LA died on 07.11.07 due to cancer.LA had consulted a Dr for a wound under the tongue and on investigation it was diagnosed as cancer. The insurer denied the claim on the ground that the assured had suppressed material facts reg the health at the time of taking the policy. He took treatment for carcinomarightlateral border of anterior as an inpatient at cancer institute Adyar from 06.11.06 to 17.11.06 which is prior to the date of revival.

Award dated-18.01.2010.

The complainant was represented by her father as she could not come and he submitted that his son in law had a boil under the tongue for nearly 6 months and it kept on recurring. Since it was not healing he was advised to consult cancer institute Adyar where it was diagnosed as cancer. The representative informed that the ulcer would heal and that was why he had informed the agent that the LA was not suffering from any major disease.

The insurer had contended that the policy was revived on 4.12.2006.and the diseased had his first consultation at the cancer institute on 21.10.2006 and was admitted from 6.11.2006 to 17.11.2006.He had not disclosed the above in the personal statement of health submitted at the time of revival. In view of suppression of material facts the insurer had treated the revival as null and void and the insurer had further informed that since the policy had not acquired paid up value before revival nothing is payable under the policy. The cause of death was cancer as per the medical attendant's certificate issued by the Doctor from cancer institute.

Considering the above the action of the insurer in repudiating the claim is justified. However the policy has run for 2years 8 months and the LA had paid premium for 3 years and taking into account the financial hardship of the complainant an exgratia amount of rs 5,000/- is awarded. The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-052/2009-10 dated/18.01.10.

Complaint no-21.07.2461.dated14.10.2009.
Smt.A.Anthoney Selvi vs LIC.

DEATH

The deceased was having LIC policy for sum assured of rs 50,000 from 27.03.04.and he died in a road accident on 10.08.2008.The basic sum assured alongwith the bonus was settled by LIC on 06.11.2008.The accident benefit was not paid since the complainant, wife of the deceased could not produce driving licence to the insurer The insurer had therefore repudiated the accident claim

Award dated-18.01.2010.

As per the FIR dated 10.08.2008 LA was returning on his TVS moped and was hit by a car from behind and was thrown out of his vehicle. and died on the spot. The insurer had admitted the claim due to accident and settled only the basic sum assured The accident benefit payable under the policy was not considered since the complainant could not produce the driving license of LA and hence they have concluded that he was not having valid driving licence.They have denied the claim quoting the exclusion clause that the life assured had committed a breach of law. The insured had expressed their inability in producing the driving license and they mentioned that her husband used to keep all records in the vehicle and they have not retrieved all the records from the vehicle after the accident.

From the above it is clear that there is no dispute in the fact that the LA died due to accident. One cannot come to the conclusion that the LA in the present case had no driving licence just because the wife of the LA could not produce the licence. The LA was also not disqualified from having driving licence. Hence in these types of cases what is to be looked into is whether the death caused is due to injuries suffered in an accident or death is due to life assured committing breach of law.

Considering all aspects it can be concluded that death of LA is due to accident as envisaged in the accidental death benefit clause. The insurer is directed to settle the accidental death benefit of rs 51,000/-. The complaint is allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-053/2009-10 dated /27.01.10.

Complaint no-21.009.2469..
Mr. M.Jaikumar vs Bajaj Alliance Life Insurance Co Ltd

DEATH

The diseased LA had taken New Family Gain policy from the above insurer for a sum insured of rs 2,00,000/-commencing from 22.2.2008.The LA died on 16.04.2009 after paying two instalments premium The complainant who is the brother of the diseased LA had mentioned in his appeal that his sister died naturally without any pre existing disease.

The insurer had denied the claim on the ground that the diseased LA had withheld material information regarding her health in the proposal. The various investigation and medical reports confirm that the diseased LA was under medical investigation and diagnosed of congenial heart disease ,large ventricular septal defect .These facts were known to the insured and were not disclosed in the proposal form.

Award dated-27th Jan 2010

The cause of death of the insured as per the medical certificate issued by is cardiac arrest due to congenial heart disease and the insured was suffering from this problem since birth. The insured first consulted the doctor on 12.11.2006with a history of Dyspnea, leg swelling of 3 months duration. She underwent Echocardiogram and went for follow up treatment on 7.01.2007,7.7.07,6.11.07,18.1.08,12.09.08etc till 13.04.2009.The insurer had submitted Hospital Test reports submitted by the claimant in support of their contention.AS per 2 D Echo report dated 7.10.2007 the insured was diagnosed for congenial Heart Disease ,double outlet right ventricle ,large VSD and severe LV dysfunction She took the policy on 22.02.2008 without disclosing any of the ailments. In the present case the insurer was able to establish the pre proposal illness of the insured and non disclosure of material facts has also been established. Therefore the repudiation of claim by the insurer is justified and the complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-054/2009-10 dated /22.11.10.

Complaint no-21.07.2485.dated 23.10.2009.
Smt.M.Krishnammal vs LIC.

DEATH

The deceased LA had taken two LIC policies on 28.10.97.and 28.11.02 for a sum assured of rs 50,000 each. Policy no 320435511 was revived on 05 12.02 and again both the policies were revived on 30.04.07.with medical report dated24.04.07.After the date of revival no further premium was paid. The LA died due to heart attack on 11.11.07.The cause of death was due

to Cardio respiratory arrest due to Myocardial Infarction. As per the insurer the deceased had been a heart patient for the past 10 years. Based on the investigation carried out by the insurer they found out that LA was having preproposal /revival illness and hence repudiated the claim.

Award dated-22nd Jan 2010

The Medical attendant of the life assured in his certificate in Form-B confirms that the life assured died due to cardio respiratory arrest. He further stated that he was suffering from the problem for the last 10 years and he had symptoms of breathlessness/chest pain. The Doctor has also confirmed that he was treating the life assured for the past 5 years and other disease which preceded/coexisted with that which caused his death were Type II DM, Systemic Hypertension and renal failure. The insurer had also submitted copies of 3 Dimentional Cardiovascular Cartography (3dccg) reports of the insured taken on 9/5/2005and 28.09.2005.As per the report dated 9.5.2005 the insured was diagnosed for Triple Vessel Disease, Hypertension and Diabetes. He had also undergone Coronary angiogram 5 months back.

The insurer has been able to establish the pre revival illness clearly based on all the above documents and other reports submitted by them .Though suppression of material facts have been established since the insured has paid premium for 5 years this aspect also have to be taken into account. Further it appears that the nominee is in great financial burden and taking all these factors Ex gratia amount of Rs 15,000/=is awarded under Rule 18 of RPG RULES 1998 in respect of total claim under both the policies.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-055/2009-10 dated /27.01.10.

Complaint no 21.01.2503.dated 28.10.2009.
Smt.K.Vasantha rani vs LIC.

DEATH

The deceased LA had taken a money plus policy for rs 1 lakh on 30.03.07. And he died on 24.06.07 due to sudden heart attack. The insurer denied the claim on the ground that the assured had withheld correct information reg his health at the time of taking the policy. He was diabetic for the last two years on oral treatment which was not disclosed in the proposal at the time of taking the policy.

Award dated-27th Jan 2010.

The insurer had submitted discharge summary and discharge card from the hospital where the treatment was taken from 13.05.2007 to 23.05.2007.The insured was diagnosed for Diabetes complicated by Scrotal Abscess with Gangrenous Scrotal skin The report has also mentioned that the patient was a known case of diabetic –past 2 years OHA. The Histopathology report dated 14.05.2007from Jennifer Laboratory has also mentioned that the insured was diagnosed for DM with Fournier's Gangrene and the scrotum skin showed gangrenous changes. Considering all these factors it is very clear that LA was suffering from diabetes even prior to the submission of the proposal and this diabetes which resulted into gangrenous scrotum led to his demise.

It was also observed that the life assured had two other policies for sum assured each of Rs 1,00,000/=which had lapsed and were revived on 18.12.2004.The insurer had settled claim under both the policies . In the policy under dispute since nondisclosure of pre proposal illness is clearly established the repudiation of the claim by the insurer is justified. The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-056/2009-10 dated /29.01.10.

Complaint no-21.04.2517.dated 03.11.2009.
Smt.A.Vazhavandal vsLIC.

DEATH

The complainant had mentioned that her husband had taken a policy for rs.3 lakh on 27.02.07.and died on 02.11.2007.due to heart attack. The insurer denied the claim due to the fact that the deceased LA had withheld information reg his health at the time of taking the policy. He was suffering from Epilepsy for the last two years and took treatment in MMHRC, Madurai.He had not disclosed the above in the proposal form and hence the claim was rejected.

Award dated-29th Jan 2010

The insurer from the investigation carried out by them and found that the insured was suffering from Epilepsy and was not keeping good health in the last two years and the treating doctor had referred him for a specialist opinion. As per the report the insured had taken treatment at MMHRC from 6.12.2005 to 12.12.2005.and he was diagnosed for "H/O status Epilepticus and coma H/O tonic seizure two months ago. The insured had undergone CT Scan and MRI Brain –Plain which were suggestive of possibility of Epidermoidtumour,PNET.These records indicate that the insured was suffering from Epilepsy since Dec 2005 which is prior to his submitting the proposal dated 27.2.2007.

Considering all the aspects, suppression of material fact has been established in the present case and hence repudiation of claim by the insurer is justified.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-057/2009-10 dated /18.12.10.

Complaint no-21.08.2532.dated 10.11.2009.
Smt.P.Pazhaniyammal vs LIC.

DEATH

The complainant had mentioned in her appeal that her husband was working as a mason and had taken two policies for a sum assured of rs1lakh and rs30, 000 commencing from 07.07.2006 and 28.10.2007 respectively. He died due to chest pain on 22.01.08.The insurer denied the claim due to suppression of material fact reg; health at the time of taking the policy. The insurer had mentioned that he was suffering from Pulmonary Tuberculosis for which he had taken treatment in a hospital from 22.12.03.This was not disclosed in the proposal form and hence the claim was not paid due to suppression of material facts.

Award dated-18.12.2010

During the hearing the complainant, wife of the diseased stated that her husband complained of chest pain on 22.01.2008and was taken to hospital where he died within 20 minutes. She denied that her husband had taken treatment for TB. The representative from the insurer had mentioned that the diseased LA had two policies for rs 1 lakh taken on 7.7.2006and for rs 30,000/- taken on 28.10.2007.Both the policies were in force at the time of death. The hospital records had also disclosed that the diseased had TB since 2003ie 3 to 4 years prior to taking the policy the fact of which was not disclosed in the proposal. From the various records it was established that the diseased had taken treatment from 22.12.2003 to 18.02.2004 for Pulmonary Tuberculosis ay Jipmer Hospital Pondichery.The proposer had studied up to 2nd std and has no knowledge of English. How far the agent had explained all the questions and to what extent he has understood are not clear. The LA had knowledge of his ailment but it is difficult to say whether he had fraudulent intention at the time of taking the policy taken two years since his hospitalisation. The wife of the diseased is working as a coolie with 2 children and hence deserves sympathetic consideration. Taking all the factors into account an exgratia amount of rs 25,000/- is awarded.

The complaint is partly allowed on exgratia basis.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-058/2009-10 dated /23.02.10.

Complaint no-21.08.2592.
Smt Minu RajKumar vs LIC,Vellore.

DEATH

The diseased LA had taken a policy with the above insurance co from 28.07.2005.for a sum assured of rs 1, 50,000/-The LA died due to heart attack on 27.01.2006.and the claim was denied by the insurer stating that the diseased had withheld material information regarding his health The insurer had collected records to show that the LA was suffering from gastritis, acidpeptic disease, duodenal ulcer, and exacerbation of peptic ulcer and he was taking treatment for all the above. He was also on leave for 349 days (prior to the date of proposal) and 64 days (after taking the policy) till his death.

The complainant had argued that the LA had died only due to heart attack and not due to gastritis, acid peptic disease etc;

Award dated-23.02.2010.

As per the enquiry report submitted by the insurer the life assured is reported to have died due to heart attack in his room in a bachelor's accommodation .Since he was not taken to any medical attendant the cause of death has not been established. The insurer had submitted certificate issued by three different Doctors who had treated the insured earlier. These indicate that he had taken treatment for Duodenal Ulcer in 2005 and for Gastroesophagal reflux disease in 2002.The insurer has also submitted copies of medical certificates issued by the doctors recommending sick leave. The claim form E issued by the employer also confirms the above leave availed by the insured. All these documents clearly indicate that the LA was not enjoying good health since 2002

The complainant had not attended the hearing and has not put forth any evidence to deny the pre proposal illness in her appeal. Considering all the above facts the repudiation of the claim by the insurer is justified.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-059/2009-10 dated /23.02.10.

Complaint no-21.002.2523.
Smt.N.Jawahar Begum vs SBI Life Insurance Co Ltd.

DEATH

The diseased LA had availed housing loan under SBI home loan scheme and had taken life policy with effect from 31.01.2008.He was working as a station master in Railways and according to the insured was maintaining good health. On 07.01.2009 he complained of chest pain and was admitted at railway hospital and was kept in ICU for 5 days. He died of heart attack on 21.01.2009.The insurer had stated that as per records available with them the diseased was suffering from Ischemic Heart Disease prior to the date of enrolment under the above policy. The insurer had mentioned that in view of suppression of material fact they have repudiated the claim.

Award dated-23.02.2010.

It was observed from the records that the primary cause of death as mentioned in the Medical attendant's Certificate was cardiac arrest and secondary cause was Hyper tension, Diabetes Melitus. The doctor has mentioned that the chest pain was observed by the diseased on 07.01.2009 and the report does not mention anything about Heart Disease suffered by the LA prior to the date of enrolment into the scheme. The insurer had mentioned that the insured had given a false declaration regarding his health since he was suffering from Ischemic Heart Disease prior to the date of proposal and hence they have repudiated the claim. In support of their contention they have filed the treatment details the life assured had at Railway Hospital prior to the date of entry into the scheme.

In the present case the pre proposal illness quoted was Diabetes and IHD and the good Health Declaration form which is to be treated as a proposal form does not ask the question whether he had suffered or was suffering from Diabetes. The declaration form asks the insured whether he had suffered or suffering from any critical illness. One of the critical illness mentioned is taking treatment for Heart Disease. The complainant had denied that her husband was suffering from any heart disease but she admitted that he was suffering from Diabetes.

It was also observed that a single premium has been collected for the entire term to cover the mortality charges and when the death takes place in the middle of the term how far is the insurer justified in retaining the full premium .No doubt there was a suppression of existing ailment the insurer was not able to establish clearly the suppression. Taking all the factors an ex gratia amount of rs 1, 00,000/- is awarded.

The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-060/2009-10 dated /26.02.10.

Complaint no-21.009.2515.

Mr M Pawin vs Bajaj Alliance Life Insurance Co Ltd.

DEATH

The insured had taken New Unit gain policy with the above insurance co for a sum assured of rs 7,50,000/-commencing from 10.11.2006.The insured Mr Pawin met with an accident on 14.01.2007.resulting in disability of both lower limbs. The insurer had rejected the claim stating that as per assessment done/ documents submitted by him no partial or total disability of permanent nature due to loss of limbs as mentioned in the policy condition is established. The rejection was based on hospital discharge summary initially submitted without referring to the medical certificates issued by the Medical Board subsequently. The Medical certificate of the medical board and the permanent national identity card and pass book for the disabled certifying 90%disability issued by the District Rehabilitation Officer were also forwarded to the insurer by the insured with a request to reconsider the claim but this was also not accepted by the insurer.

Award dated-26.02.2010

The case was represented by the father of Mr Pawin Mechanical Engineering Student. Mr. Pawin met with a major accident on 14.01.2007 resulting in disability of both limbs below hips medically known as paraplegia. His both legs are non functional, self catheterization for urine is done. Movement below hip is totally lost without any sensation Movement is restricted to wheel chair and bed. The insurer has rejected the claim stating that no partial or total disability of permanent nature due to loss of limbs as mentioned in the policy condition has been established. In reply the complainant had sent Medical certificates issued by Medical Board and the Permanent National Identity Card with remarks (a) this condition is not likely to improve (b) reassessment is not recommended and passbook for the disabled certifying 90%disability issued by the district Rehabilitation Officer for Disabled, Salem District with a request to reconsider the claim.The complainant had mentioned that there was no response to various letters sent to Customer care and Claims review committee.

During the hearing the representative of the insurer could not show the report where it was mentioned that possibility of improvement for the insured is there. The insurer had also not submitted the self contained note and also the copy of the policy document. The representative stated that he presumed all the papers were already sent to the forum. The insurer seems to have repeatedly asked for the reports stating that they have not received where as there were acknowledgements for having received the letters.

From the records it is clear that there was an accident and the insured suffered due to the accident and he has become totally disabled. Taking all the factors into account the insurer is not justified in repudiating the claim for disability benefit Hence the insurer is directed to settle the disability benefit which provides for payment of rs 7,50,000/-being the sum insured.

The complaint is allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-061/2009-10 dated/26.02.10.

Complaint no –23.02.2504
Mr.M.Radhakrishnan vs LIC Chennai

DEATH

The complainant LA had stated that he had taken a Guaranteed Triple Benefit policy without profit for a sum assured of rs 25,000/-commencing from 20.09.1981.The LA had received the maturity amount of rs 24,994/-and additional cash payment was not received On 4.03.2009 he had received a letter from LIC rejecting his claim for additional cash payment but accepting that a sum assured would be paid to the nominee at his death. The reason mentioned in the letter was that the insured had not given his option for the same 3 years prior to the expiry of the policy

The insured had mentioned that an option need not be exercised and LIC has to consider the additional cash payment on the policy without insisting for a letter of option.

Award dated-26.02.2010

The complainant had contended that he was issued a Triple Benefit Guaranteed policy which matured in Sep 2006.On maturity he received from Lic an amount of rs 24,994 short of rs 6/-He said that he has understood that policy as (1) payment of SA at the time of maturity (2) An increased paid up assurance or increased cash payment and (3) Payment of sum insured to the nominee after the death of life assured after the policy matures. He said that he has received a letter from LIC rejecting his claim for additional cash payment but accepting that a sum assured would be paid to the nominee at his death. The reason for rejection was that he had not opted for the same 3 years prior to the expiry of the policy. The insured had contended that option is to be exercised only if increased paid up assurance is opted for and not for the increased cash payment. Hence he contended that he is eligible for a cash payment of rs 11,800/-apart from free paid up policy. The insurer had argued that the policy speaks of three benefits as below

(1)Sum assured which increases steadily by 2 ½%per annum and will be paid if death occurs within the period.

(2)A cash payment on survival to the end of the period of a sum equal to the original sum assured and

(3)A free paid up assurance equal to the original sum assured payable at death after expiry of the period.

At the end of the period the policy holder has a choice for one of the following alternative benefits in lieu of benefits no (2) and (3)

An increased paid up assurance or An increased cash payment.

The alternative benefit will be allowed subject to the exercise of option not less than three years before expiry of selected terms.

On a perusal of the records it appears that the complainant had taken into account a part of the provisions but the entire clause has to be read in full. The wordings used are “In lieu of and not In addition to” and the options available are “either (1)or(2)and not(1)and(2)”The fact is that the insured has not exercised any option before the end of the term to make him eligible for benefits mentioned under options. He cannot exercise option after the date of maturity. Hence in the present case the insurer has fulfilled his obligation by paying the SA payable on maturity and agreeing to provide paid up policy for an amount equal to SA. The complainant cannot expect payments beyond the terms of the contract.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-062/2009-10 dated/26.02.10.

Complaint no-21.04.2639.
Smt P.Dhanalakshmi vs LIC,Madurai

DEATH

The complainant’s husband had taken a policy from 19.07.2007 for a sum assured of rs 1,00,000/-and he died on 12.03.2008 due to cardio respiratory arrest. The insurer had repudiated the claim stating that the LA had suffered from diabetes prior to taking the policy for 8 years and this was not disclosed at the time of taking the policy

Award dated-26.02.2010.

The complainant had stated that her husband had a policy of insurance from LIC,Madurai. He was hospitalized for one month and died of fever. He did not have any sugar problem and never took any medicines. She was arguing that all happened within one month. She did not have any records to establish her husband did not have any diabetes. The insurer had mentioned that they have issued Jeevan Anand policy to the deceased Life assured and within a period of 7 months and 23 days from the date of issue of the policy the Life assured died. From the discharge summary of the hospital it was clear that the deceased had Diabetes Mellitus for the past 8 years which fact he did not disclose in the proposal.

It has been observed that the life assured was admitted to the hospital from 27.11.07 to 27.12.07where was diagnosed for hypertension ,Diabetes Mellitus type II,LV disfunction . In the clinical features it has been clearly mentioned that the patient is a known case of DM-8 years irregular treatment. The LA was again hospitalized from 23.01.2008to 26.01.2008 for the above complaints. The claim form E certificate by the employer confirms that LA was on leave on medical grounds on different dates due to Acute gastritis, Acid peptic disease, Hypertension/Type II DM/Rt Hemiplegia.Based on all the above factors it can be concluded that LA was suffering from Diabetes prior to

submission of his proposal and he has not disclosed the same in the proposal submitted by him. Considering all the above aspects the insurer is justified in repudiating the claim.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-063/2009-10 dated/26.02.10.

Complaint no-21.08.2662.
Smt M.Sathiya vs LIC,Vellore

DEATH

The complainant had mentioned that her husband had taken a policy with LIC for a sum assured of rs 50,000/-and he died due to sudden Heart attack on 14.11.2007She represented that her husband died suddenly and her family is suffering due to his death. The insurer denied the claim on account of the fact that the diseased had suffered from jaundice and liver problem for which he took treatment in a hospital in July 2005 and also he was habituated to alcoholism. The LA had not disclosed all the above facts in the proposal form and hence the claim was rejected.

Award dated-26.02.2010

The complainant had mentioned that her husband had taken the policy from 28.12.2006 and he died on 14.11.2007due to heart attack. She had also stated that she was not aware of his hospitalisation in 2005 and she also denied of his having Jaundice or liver problem. She denied that her husband had drinking habits. The insurer had stated that as per claim form B-2given by a Doctor of Govt Hospital the diseased life assured was hospitalized for 10 days for jaundice in 2005.The case sheets of the hospital reveal that he had vomiting, Jaundice and Cirrhosis of lever in 2005 itself. This shows that the deceased life assured had pre proposal illness which he had suppressed at the time of taking the policy. In the proposal form, to a question on alcoholism he had given negative reply. As per claim form B the primary cause of death was Heart attack and secondary cause was Cirrhosis of Lever and Alcoholism

The documents submitted by the insurer clearly establish that the Life Assured had Liver Problem and had suffered from Jaundice in July 2005 before he proposed his life for insurance. He has not disclosed this in the proposal form and he has suppressed about his taking Alcohol also in the proposal form. Considering all the factors though the action of the insurer in repudiating the claim is in order exgratia amount of Rs 10,000/- is awarded taking into account the family condition of the complainant who is now living with four children.

The complaint is partly allowed on exgratia basis.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-064/2009-10 dated/19.03.10.

Complaint no-21.08.2736.
Smt.G.Saraswathi vs LIC Vellore.

DEATH

The complainant had mentioned that her husband had taken three policies from LIC,Vellore ,risk commencing from different dates.LIC had repudiated the claim on the ground of suppression of material facts while reviving the policies. The policies were lapsed due to nonpayment of premium on the due dates and were revived on 19.12.2007.She further mentioned that her husband was working in a spinning mill and requested for a favourable settlement of the claim due to financial constraint.

The insurer had mentioned that the diseased was a chronic alcoholic for 20 years and was not maintaining good health. He was also suffering from liver disease and took treatment in a hospital on 17.05.2007ie; pre revival illness. The same was not disclosed in the personal statement of health at the time of revival.

Award dated-19.03.2010.

The complainant had stated that her husband had taken three policies and was working in a Textile mill and the premium was paid as a deduction from the salary. Suddenly he developed Liver problem, jaundice and died on 31.10.2008.She confirmed that her husband had taken treatment at a Nursing Home in 2007.She also confirmed that her husband occasionally took alcohol. She mentioned that her husband has become sick in 2007 due to drinks and was in Govt Hospital for 15 days. The representative of the insurer stated that the policy was revived on 19.12.2007on the basis of personal statement regarding health and the death of the life assured had occurred within 10 months from the date of revival of policies. He was a chronic alcoholic for more than 16 years and suffered from liver disease and took treatment at Sri Krishna Nursing Home, Pondichery from 17.05.2007 to 26.05.2007.Ultra sound Scan report of Abdomen and Pelvis dated 17.05.2007 shows that the diseased was suffering from alcoholic liver disease. Therefore the insurer had stated that there was a clear suppression of material facts and hence treated the revival as null and void. And repudiated the claim and forfeited all monies paid under policies 732367496 and 732367497.

It has been observed in Claim form B issued by Dr .N.R.Bhat ,the primary cause of death was cirrhosis of lever with Portal Hypertension To another question The doctor has mentioned that “known case of chronic alcoholic for 20 years. The LA was treated at the hospital from 28.07.2008 to 9.08.2008 and 2.09.2008 to 14.09.2008for cirrhosis of lever. After taking into account all the factors the decision of the insurer to treat the revival as null and void is in order. The insurer has settled the paid-up value with bonus

under policy no 732020655,however the insurer has forfeited all the monies paid under policies 732367496 and 497These two policies have run for a period of 4 years 9 months from the date of issue of policy Even though the policies have not acquired any paid up values on date of lapse but the policies were revived by remitting rs 4,977under policy no 732367496 and rs 6667 under policy no732367497The complainant is a poor lady with children to bring up. Taking all the factors into account an exgratia amount of rs 10,000/- .is awarded in total settlement of claim under two policies 732367496 and 732367497.

The complaint is partly allowed on exgratia basis.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-065/2009-10 dated/19.03.10.

Complaint no-21.002.2657.

Mr.V.Sathiyadas vs SBI Life Insurance Co Ltd.

DEATH

The complainant had mentioned that he has taken three policies in the name of his daughter under Unit plus ii Regular policy for a sum insured of rs 5 lakh each commencing from different dates in Aug 2008.She died due to Cardio respiratory arrest on 10.10.2008.When the claim was submitted the insurer had repudiated the claim stating the reason as he had suppressed the disease on her life called Systemic lupus Erythematosus(SLE) at the time of admission as policy holder. The insured had represented that he was not aware of the disease at the time of taking the policy. The insurer had mentioned that the diseased was suffering from the disease for the 8 years prior to the date of proposal.

Award dated-19.03.2010.

Mr .V.Sathiyadoss had taken three Unit plus II regular policies for a sum assured of Rs 5, 00,000/-under each policy for a term of 5 years commencing from 20.08.2008, 13.08.2008, and 20.08.2008 respectively on the life of his minor daughter Ms.Lavanya.The life assured died on 10.10.2008.due to cardio respiratory arrest within a short period of 2 months from the date of issue of the policy. The proposal was signed by the complainant since his daughter was a minor. His daughter was getting regular fever and hence she was taken to hospital at Coimbatore when she was eight years old she was taking tablet regularly and it has to be taken permanently. The insurer had stated that all the three proposals were accepted under non medical scheme based on the declaration in the proposal The investigation report revealed that the insured had a history of disease SLE (Systemic Lupus Erythematosus) It was mentioned in the medical records of Apollo Hospital that LA was a known

case of SLE since 8 years, indicating that the insured had pre proposal illness. Since this was suppressed by the insured the insurer had repudiated the claim

According to the investigation report the insured was short in stature compared to girls of her age and had not attained puberty even after the age of 16 years. The doctor has certified that the primary cause of death was R.V.Dysfunction and the secondary cause was Systemic Lupus Erythametosis and the LA was suffering from SLE for past 8 years. Since the suppression of material fact is well established in the present case, the decision of the insurer to repudiate the claim is justified. The insurer has also settled the fund value under the three policies to the claimant.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-066/2009-10 dated/23.03.10.

Complaint no-21.08.2747.
Shri.T.Ramalingam vs LICVellore

DEATH

The complainant's mother had taken a policy with effect from 28.03.2002.and the policy had lapsed due to nonpayment of premium. It was revived on 05.03.2004.on the basis of personal statement and medical report. His mother died on 12.05.2005 due to chest pain. The claim was denied by the insurer and they have mentioned that the LA had grossly understated her age by about 17 years at the time of effecting the insurance Further they have also stated that the insured had not disclosed her vision problem in the proposal.

Award dated-23.03.2010.

It has been observed from the file that the LA had taken a policy with date of commencement 28.03.2002for rs 50,000/-, date of birth as 20.05.1962(self declaration) under non medical.Policy was revived on 5.03.2004.on the basis of personal statement of health and medical report. It was observed that on the basis of ration card her age as on 1.1.2005 was 60 years and nominee's (her son) was 39 years. As per voter's list her age was 73 years and son's age was 43 years. So it was a clear case of understatement of age by 17 years as on date of proposal. She was also having severe vision problem for the last 5 years. The insurer had repudiated the claim on the basis of gross understatement of age

Age of the LA is a material fact while assessing the risk of a person and gross understatement of age will definitely render the contract void. In the present case there is not only misstatement of fact but also a fraudulent act in securing the policy. Considering all the above factors the repudiation of claim by the insurer is in order.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-067/2009-10 dated/25.03.10.

Complaint no-21.004.2663.

Smt.Durga VijayaKumar vs ICICI Life Insurance Co Ltd

DEATH

The complainant had stated that her husband had taken two policies from the above insurance co (1) smart kid policy for rs 3lakhs,(2) Home assure policy for rs 7 lakhs. The LA had expired on 23.05.2009 due to Pancreatic mass the claim submitted by her was rejected by the insurer on the ground of suppression of material facts at the time of taking the policy. She mentioned that the insurer had stated in their repudiation letter that her husband underwent a surgery for chronic pancreatitis in March 2006.which according to her is not true. She further adds he underwent laproscopic duodenal excision in April2008.

The insurer had argued that the diseased was not maintaining good health and suffered from Chronic pancreatitis before the commencement of the policy and hence they have repudiated the claim.

Award dated-25.03.2010

The complainant had stated that her husband was employee in ICICI Prudential Insurance and after joining the company he had taken two policies from icici.She said that her husband underwent laproscopic pancreaticjejunostomy only in April 2008.He also obtained reimbursement from the company for the medical expenses her husband's cancer was detected only 15 days before his death. She said that the agent had filled up the proposal form and her husband has signed in blank forms. She submitted that her husband was diabetic since 2004.The insurer had represented that the diseased was not maintaining good health and suffered from chronic Pancreatitis. He had taken treatment at Lifeline clinic Chennai in Dec 2004.The insurer stated that the following evidences show that life assured had suffered from Pancreatic disease prior to the date of proposal.

CT SCAN Whole Abdomen dated 21.12.2004—Impression of repot Chronic Pancreatitis

Consultation notes of treating doctor dated 23.12.2005.

Patient underwent Laparoscopic pancreatic jejunostomy on 16.04.2008

Discharge summary from life line clinic Chennai dated 24.04.2008-diagnosed as chronic Pancreatitis with dilated MPD and known case of Diabetes Mellitus

It is pertinent to note that the life assured in the present case was employed as sales manager with ICICI prudential Life Insurance co from whom he has taken the above policies. He is deemed to be well aware of the questions asked in the proposal and consequences of non disclosure or misrepresentation while answering these questions in the proposal. It is proved

beyond doubt that the life assured was suffering from pancreatic problems since Dec 2004 and he was aware of the sickness when he proposed his life for home assurance plan on 10.10.2007and Smart kid plan on 4.06.2008.Taking all the factors into account the decision of the insurer in rejecting the claim due to suppression of material facts is justified.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-068/2009-10 dated/27.03.10.

Complaint no-21.009.2737.

Mr T.Syed Hussain Khader vs Bajaj Allianze Life Insurance Co Ltd.

The complainant had mentioned that his father had taken New Unit Gain Plus Policy from the above insurance co for a sum insured of rs 90,000/-from 13.07.2007.The LA died on 17.10.2008.due to Cardio Respiratory Arrest. The claim was denied by the insurer on the ground of suppression of material facts. According to the insurer the diseased was under regular medication with insulin for diabetes mellitus since 9 years which was not disclosed at the time of taking the policy. It was also informed that the son was an agent of Bajaj Life Insurance and he has finalized the business.

Award dated-27.03.2010.

The complainant had stated that his father was a retired police officer and had taken new unit gain plus policy with a term of 12 years and yearly premium of rs 15,000/-He informed that he did not know that they had to mention the diabetes of his father in the proposal. The complainant is an agent of the same insurer. The insurer mentioned that LA was suffering from Diabetes Mellitus for the last 9 years which was not disclosed in the proposal. As per the death summary LA died due to Celluitis right leg secondary to DM and Septicemia with cardio respiratory failure. The certificate of Hospital treatment reveals that LA was suffering from DM since last 9 years. The nominee under the policy was the agent and he failed to disclose his father's pre proposal illness. From the above it was clear that the LA was suffering from diabetes mellitus prior to the submission of the proposal and he has also answered no to the question on diabetes.Considering all these facts the decision of the insurer in repudiating the claim is justified.However there is no justification in forfeiting the full premium which contains investment portion ,the risk under which is fully borne by the policy holder.It was informed that the fund value on the date of intimation of death was rs 17,791/-The insurer was directed to pay this value to the complainant,who was the nominee

The complaint is partly allowed. .

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-069/2009-10 dated/27.03.10.

Complaint no-21.005.2739.

Smt.P.Mary Selvi vs HDFC Std Life Insurance Co Ltd.

DEATH

The complainant had mentioned that her husband had availed housing loan and has also taken a life policy from 25.07.2006.called Home loan protection Plan /Single premium policy. The LA died on 1.1.2009.due to heart attack. The claim was denied by the insurer on account of the fact that the diseased was suffering from diabetes before taking the policy. The policy has been assigned in favour of HDFC and the outstanding loan amount on the date of death was rs 3,26,500/-

Award dated-27.03.10

The representative of the LA stated that the LA complained of severe stomach pain on the date of death and expired before the doctor could come. The LA reportedly died due to heart attack on 01.01.2009.Prior to this the insured had been admitted to Sugam hospital, Chennai from 28.12.2008 to 29.12.2008.He was diagnosed as a case of Diabetes Mellitus /Neuritis/Acute Gastritis. The report also mentions that the patient was a known case of DM.The insurer has repudiated the claim stating that the LA had not disclosed the fact of his suffering from Diabetes in the proposal. To support their contention the insurer had submitted copies of Stanely Hospital records attested by Asst Surgeon Govt .PHC, Manali town. On a perusal of the slips it was noticed that many slips did not have the date of consultation, some slips show reference to ENT Dept, Dental Dept. The drug cards which mention prescription of diabetic drugs do not show the name of the patient /his age. Thus these slips cannot be treated as a pucca document to prove pre proposal illness.

It was observed that the proposal is not in the usual format and the insured has made a declaration stating that he is in good health and free from diseases. In the absence of strong and clinching evidence it becomes difficult to establish that the LA was suffering from Diabetes prior to the date of proposal it was also noticed from the records that the LA was a regular visitor to Stanely hospital for taking treatment including Diabetes.

Taking into account all aspects and to ensure justice is not denied to either of the parties the insurer is advised to pay an ex gratia amount of Rs 25,000/and since the policy is assigned in favour of HDFC Ltd the amount may be adjusted towards outstanding home loan of the policy holder .

The complaint is partly allowed.-

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-070/2009-10 dated/29.03.10.

Complaint no-21.05.2754
Mr.K.Govindan vs LIC,Salem

DEATH

The complainant had stated that his son had taken a money back policy for rs 50,000/-from 18.02.2005.The policy was revived on 19.09.2006.and the LA died on 27.01.2008.due to cancer.LIC repudiated the claim due to suppression of material facts at the time of revival. The complainant had mentioned that his son was maintaining good health and was also attending to his work. The insurer had stated that they have records to prove that the diseased was suffering from Acute Myeloid Leukaemia .He was not keeping good health at the time of revival and did not disclose these facts in the personal statement given at the time of revival and hence the claim was denied

Award dated-29.03.2010.

The complainant had stated that his son had taken an insurance policy on his own life and he could not remit the premium regularly due to poverty. The policy was revived on 19.09.2006and he had a taken loan to revive the policy. He died on 27.01.2008.The complainant had also admitted that his son had taken treatment in a hospital in 2005 but he has recovered fully The insurer had stated that the LA had died due to blood cancer on 27.01.2008.As per the policy condition policy was totally lapsed as on date of death without acquiring any value, so nothing was payable under the above mentioned policy.

As per the records submitted by the insurer life assured had consulted hospital where he was diagnosed for acute myeloid leukemia and was admitted in the hospital from 16.06.2005 to 18.07.2005.It was also observed that life assured was treated for various cycles of chemotherapy in 2005 and Bone marrow test was done on 22.10.2005.After taking all this treatment LA had revived the policy on 19.09.2006 by submitting personal health statement. He had made deliberate misstatement and with held material information. Regarding his health from the insurer at the time of revival. The insurer in the present case has been able to establish the pre revival illness with hospital records and hence the decision of the insurer to treat the revival as null and void is justified.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-071/2009-10 dated/29.03.10.

Complaint no 21.05.2755.
Smt .D.Vasantha vs LIC of India.

DEATH

The Diseased LA had taken a policy for a sum assured of rs 50,000/- from 05.08.2005 from LIC and he died on 02.04.2008.due to chest pain. The policy was also revived on 30.10.2006.and 02.07.2007.The claim was denied by the insurer stating that the diseased was taking treatment for diabetes during the period 19.03.2003.to 26.03.2003 and this was not disclosed at the time of taking the policy. The complainant was representing that her husband was maintaining good health and might have taken treatment for general health only.

.

Award dated-29.03.2010.

The complainant had stated that her husband was a coolie and was admitted in the hospital due to fever. The insurer had stated that the LA had taken treatment in the hospital from 19.03.2003 to 26.03.2003 for diabetes and hypertension and viral fever which fact he had not disclosed and had given false answers to the question in the proposal. On a perusal of various papers it has been observed that the policy has run for a duration of 2 years 7 months and 27 days and during this period the policy had lapsed twice and was revived on 30 10 2006 and 02.07.2007.based on personal statement and medical report of the life assured. There was no documentary evidence to show that the life assured was taking continuous treatment for Diabetes/Hypertension the LA is not English knowing person and had not studied in any school. How far he has understood the various questions in the proposal form is not clear.

The claim was repudiated after 3 years 2 months from the date of commencement of the policy and hence attracts provision of sec 45of Insurance Act. The insurer should prove the fraudulent intention on the part of the insured besides proving non disclosure of material facts. Based on the hospital records of 2003 it is established that LA was suffering from DM/HT and this was not disclosed in the proposal. As regards the fraudulent intention ,the cover was taken after more than 2 years from the date of hospitalisation. If the LA were to have a fraudulent intention he would have gone in for immediate insurance. Further he would not have allowed the policy to lapse. Hence it can be concluded that the provisions of sec 45 is half met in the present case. Therefore to ensure justice to both the parties an ex gratia amount of Rs 25,000/- is awarded.

The complaint is partly allowed on ex gratia basis.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-072/2009-10 dated/30.03.10.

Complaint no-21.005.2757

Mr.M.Periasamy vs HDFC Standard Life Insurance Co Ltd.

DEATH

The LA had taken a Unit linked Endowment policy from HDFC Standard Life Insurance Co for a sum assured of rs 1,20,000/-for a term of 15 years from 29.09.2008. He died on 22.08.2009 due to heart attack within 10 months 23 days of taking the policy. The claim was rejected by the insurer on the ground of suppression of material facts. The insured had mentioned that he went to HDFC office and orally informed about his wife's health that she was suffering from diabetes and hypertension. The insurer had stated that they have not received any written communication from the complainant about his wife's health.

Award dated-30.032010.

The complainant had stated in the claim form that the life assured died on 22.08.2009and the cause of death was due to T2,DM,DN and M1.He further confirmed that she had consulted a Doctor in a hospital since Dec 2005.He has also confirmed in the claim form that that his wife was suffering from T2 DM from 31.12.2005.The discharge summary of the hospital also confirms that she was admitted during the period 18.04.2006 to 24.04.2006 and was diagnosed for (i)Type Diabetes Melitus-IRS Insulin Requiring Range (ii)Paraparesis.During the hearing the complainant had stated that he had told the agent about the details of his wife's illness at the time of taking the policy and the agent had informed him that he would take care of the issue.

On a perusal of the records it is clearly evident that the LA was suffering from illness since 31.12.2005.which was prior to the date of the proposal and her health condition was not in order. The complainant himself has admitted about his wife's illness and his argument that he has orally informed the agent cannot be taken as disclosure of facts. Considering all the above facts the repudiation of the claim by the insurer is justified. The policy is taken under Unit linked endowment plan. The fund value available on the date of admission of death was rs 2,725/-and there is no justification in forfeiting the amount. Hence the insurer is directed to pay the fund value of rs 2,725/-

The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-073/2009-10 dated/30.03.10.

Complaint no-21.08.2785.

Smt.R.Indira vs LIC of India.

DEATH

The LA had taken an Endowment policy for a sum assured of Rs 1, 00,000/-for a term of 15 years from 28.01.2003.The policy had lapsed in July 2005 and the same was revived on 17.11.2006.He died on 12.07.2007 due to stomach pain within a period of 7 months 25 days from the date of revival of the lapsed policy. The insurer contended that the life assured was admitted to Stanley Medical College for ulcer in July 2006 but no information was given in the personal statement at the time of revival. Hence the claim was denied on the ground of suppression of material facts by the insured and his son who was the agent himself.

Award dated-30.03.2010.

The complainant had stated that her son was an agent and he introduced the policy. She also accepted that her husband was suffering from Ulcer and at the time of revival he was hospitalized. As per claim Form B completed by the attending doctor the primary cause of death was reported as Duodenal ulcer and secondary cause was perforation with Peritonitis. Histopathology report of the insured dated 23.04.2006 from the Stanley Medical College reveals that the insured underwent incisional Biopsy .The report dated 6.07.2006 from Apollo Hospital reveals High Grade Sarcoma,tumour and Mesentary.The insurer has also filed certificate of hospital treatment B1 and B2issued by Asst Professor of Govt Stanely Hospital confirming the treatment taken by the insured during June/July 2006.All the above records clearly show that the diseased was suffering from Duodenal Ulcer/Gastrointestinal stomach tumor since July 2006 and it also clearly shows that the life assured had fraudulently suppressed the facts of his health in the personal statement submitted at the time of revival. Therefore the decision of the insurer to treat the revival as null and void and forfeiture of money paid under the policy is justified.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-074/2009-10 dated/30.03.10.

Complaint no-21.04.2743

Smt.B.Sankareswari vs LICof India.

DEATH

The LA had taken a Bima Kiran Policy for a sum assured of rs 1, 00,000/- for a term of 25 years commencing from 28.03.1998.and he died on 19.10.2008 due to heart attack. The LA was working as a lecturer at the time of proposal and later as a teacher in a school at the time of death. In this case LA had revived the policy on 28 12.2007 and expired on 19.10.2008.within 9

months and 21 days of revival. He contended that the insured was a heart patient by birth and under continuous treatment since 2004.Hence the insurer had repudiated the claim on the ground that the life assured had not disclosed in the personal statement regarding his health at the time of revival.

Award dated-30.03.2010.

As per the claim form B submitted by the insurer it was observed that the medical attendant who has been treating the insured since 2003 had stated that the insured has been suffering from Rheumatic Heart Disease since birth and symptoms started in late 40'sThe immediate cause of death as mentioned in the medical certificate was cardiac arrest and the antecedent cause was Rheumatic Mitral Regurgitation. The treating doctor has mentioned that the LA had first consulted him in 2004-2005 and he attended to him thereafter .The doctor has also stated that he was treated as an outpatient and every 21 days Anti CCF drugs were given. In support of their contention the insurer has filed outpatient prescription memos in the name of LA. In most of the slips though the date and month are mentioned year is not clearly mentioned.

The personal statement regarding Health based on which policy was revived the insured has answered "no" to questions like (1)whether you have been affected by any disease and taken treatment for 1 week or more (2)undergone any operation or got injured in any accident(3)undergone any x-ray,ECG,screening,Blood test, Urine test. The insurer has not produced any document to prove that the diseased insured had undergone any tests, except certificate in claim form B. It is pertinent to note that the policy has run for a long period of 10 years,6 months and had lapsed for nonpayment in Dec 2005 and was revived on 28.12.2007As the policy has run for more than 2 years it attracts provision of Sec 45 of Insurance Act and as per the insurer has to prove fraudulent intention on the part of the insured in reviving the policy. The insured revived the policy only in Dec 2007 nearly 3 years after he was diagnosed for RHD.If he were to be suffering from heart disease he would not have allowed the policy to lapse and he would not have waited for three years to revive the policy. Taking all the factors into account the insurer is not justified in repudiating the claim and hence the insurer is directed to settle the claim for full sum assured of rs 1,00,000/-

The complaint is allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-075/2009-10 dated/31.03.10.

Complaint no-21.005.2773

Smt.Thangamuthu Mariammal vs HDFC Standard Life Insurance Co Ltd

The LA had taken a Home Loan protection policy from the above insurer for a sum assured of Rs 3,18,035/-for a term of 10 years from 28.02.2006. He died on 06.04.2008due to Heart attack within 2 years 1 month of taking the policy. The premium under the policy has been collected under single premium mode and the insurer has collected a sum of rs 9,910/-as a onetime payment. The policy stands assigned in favour of HDFC Ltd.The insurer has repudiated the claim on the ground that the LA had withheld correct information regarding his health in the proposal form.

Award dated –31.03.2010.

On a perusal of the certificate issued by the treating doctor it was revealed that the cause of death was Acute Myocardial Infarction .The doctor has further confirmed that the diseased had diabetes for 10 years. Another certificate from the doctor reveals that LA was admitted in the hospital on 6.04.2008 and was diagnosed to have acute myocardial infarction and Diabetes with Cardiogenic shock it was also mentioned that he was diabetic for 2 years. All these records show that the LA was not only suffering from diabetes but other ailments also before he proposed for the policy under dispute.

In the application form submitted for the policy under dispute Sec 3 deals with the declaration of the life to be assured and the insured had declared that he is in good health and free from any disease. He has also confirmed that he has not received any medical treatment in the last 12 months and that he never had a stroke, heart problem, cancer and Diabetes. The insurer was able to prove with documents that LA had preproposal illness. The complainant could not produce any evidence to prove that Diabetes was a subsequent development and there need be no nexus between the cause of death and the ailment suffered. Considering all aspects and to ensure that justice is not denied to either of the parties the insurer is directed pay an ex gratia amount of Rs 5,000/-and since the policy is assigned in favour of HDFC ltd the amount may be adjusted towards outstanding loan amount.

The complaint is partly allowed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-076/2009-10 dated/31.03.10.

Complaint no 21.01.2774.

Sri.V.S.Ramadoss vs LIC of India

DEATH

The LA had taken a Bima Gold Policy for a sum assured of rs 50,000/- for a term of 16 years from 28.03.2006.and he died on 22.01.2008 due to kidney failure and Hypertension. Mr Ramadas nominee under the policy had stated that the LA was his brother in law and was assisting him in his agricultural and other activities and wanted to help him by taking the policy.

The complainant had paid the premium and the policy was taken in March 2006 after due medical checkup .The check up at Jipmer hospital in Oct 2008 has revealed the kidney problem .Since Nov 2007 the BP was under control. The insurer had mentioned that the DLA was a known case of Hypertension, coronary heart disease, chronic kidney disease of stage 5 and Diabetic. The insurer had argued that had the proposer disclosed his hyper tension and Diabetes the proposal would not have been accepted or they would have called for more special reports before considering the risk. Hence the insurer had repudiated the claim due to non disclosure of material information.

Award dated-31.03.2010.

The complainant had stated that the BP and the kidney problem started after one year of taking the policy. Initially the LA was taking tablet for Hyper tension and finally it resulted in his kidney failure. There was no intentional suppression of material facts and there was no fraudulent intention behind taking the policy. The claim form B-Medical attendant's certificate shows that the primary cause of death as End stage renal failure and that he treated the diseased for end stage renal failure and Hyper tension from Nov 2007 to Jan 2008.The same doctor has also stated that the patient was on regular Haemodialysis for Chronic Renal failure from Aug 2007 to Jan 2008.To support their contention the insurer has filed no of case sheets, outpatient slips, Discharge summary in respect of treatment taken by the life assured .The discharge summary issued by Govt Stanely Hospital clearly states that the insured was a known case of HT/CAHD on Amlong,Aternal diagnosed2 years back,HT/CHD/Stage V Jipmer Pondichery on 23.08.2007

The complainant had submitted that he has paid the premium and till death he has paid rs 8,000/-and as per the complainant he was brother in law of the life assured and in such a case has no insurable interest on the life of the assured .If the life assured has annual income of rs 60,000/- as mentioned where was the need for the complainant to remit the premium himself. The fact that the LA was suffering from Hypertension coupled with chronic kidney failure of stage During Aug 2007 amply indicates that he must have been suffering from Hypertension for more than two years i.e. well before Aug 2005.which is prior to the date of proposal. Considering all aspects the insurer is justified in repudiating the claim.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-077/2009-10 dated/31.03.10.

Complaint no-21.05.2784

Smt.Maria Selvam vs LIC Of India

DEATH

The LA Mr Celestine Selvaraj had taken a Money Plus policy for a sum assured of Rs 1 lac for 20 years from 14.06.2007.and he died on 13.08.2008due to heart attack within a short period of 1 year ,1month and 29 days of taking the policy. The annual premium payable under the policy was rs 10,000/-and he had paid 2 yearly premiums under the policy The insurer through their investigation have found that LA was suffering from Diabetes Mellitus since 04/2001and the insured has not disclosed the same in the proposal The agent who has introduced the diseased life assured was his brother and the bid value under the policy amounting to rs 15,316/-was paid. The LA had two more policies in which death claim was paid in one case for rs 1, 37,700/-and discounted claim paid under another policy.

Award dated-31.03.2010.

As per the investigation report submitted by the insurer it has been found that LA was suffering from Diabetes since April 2001.and he was earlier hospitalized for this. It has been observed in the doctor's certificate submitted along with claim form B1doctor has confirmed that LA was treated as outpatient from 11.04.2001 to 14.11.2006 and he was a known diabetic From the documents submitted it is clear that life assured was suffering from diabetes since 2001which fact he has not disclosed in the proposal submitted by him Since suppression of material facts have been established the decision of the insurer to repudiate the claim and to pay only the fund value is justified.

The complaint is dismissed.

OFFICE OF THE INSURANCE OMBUDSMAN, CHENNAI

AWARD No: IO (CHN) L-078/2009-10 dated/31.03.10.

Complaint no-21.07.2783
Sri .P.Samy vs LIC Of India

DEATH

Mr .G.Perumal Mudaliar had taken an endowment policy for a sum assured of Rs 81,000/-for a term of 10 years from 21.09.2001.He died on 07.06.2008 due to heart attack with in a period of 1 year 2 months, 21 days from 16.03.2007,the date of revival of the above policy. The insurer has settled the claim for paid up value inclusive of vested bonus as on the date of lapse under the policy amounting to rs 34,911/- and adjusted the proceeds to outstanding Loan Amount and interest under the policy. The insurer had denied the claim stating that the LA was suffering from diabetes which he has not disclosed at the time of revival .The agent who had canvassed the business had taken the insured for medical checkup with LIC's medical examiner and the insured had questioned as to how they can deny the claim as non disclosure when medical report has been given at the time of revival.

Award dated-31.03.2010.

During the hearing the insured stated that by profession he and his father are masons and he admitted that his father was a diabetic but never took any medicines. It has been observed that the policy had lapsed twice and then revived by submitting personal statement and medical reports. The Medical attendant's certificate DT 23.06.2008 (claim formB) states that primary cause of death was chest pain and the LA was suffering from the disease for 2 hours before death. The doctor has also certified that LA was under his treatment for the last 5 years as outpatient for Diabetic Mellitus.

From a perusal of the records it has been revealed that the policy was revived by the insurer after submitting the LA for a medical Examination, BST Test and ECG which all reported that he was in normal health. The Medical Attendant is giving different versions in his certificate

In certificate dt 23.06.2008(claim form B)he certifies that LA had no disease or illness which preceded or co existed with the chest pain he had for 10 days and that during the last three years he treated him for Gastritis. There is no mention of Diabetes suffered by the LA.

In the letter dated 19.08.2008.issued at the instance of the insurer the doctor states that he treated the LA for 5 years as OP for Diabetes Mellitus.

The policy under dispute has run for 6 years,8 months since inception and attracts provision of sec 45 as per which insurer has to prove the fraudulent intension on the part of the insured in reviving the policy. The only evidence for suppression of material facts is doctor's certificate dated 19.08.2008 and the same doctor has denied the contents in earlier certificate. Considering all the aspects the action of the insurer in treating the revival as null and void is not correct and hence the insurer is advised to settle the claim for full sum assured of rs 81,000/-with vested bonus subject to recovery of outstanding loan and interest as on date of death.

The complaint is allowed.

HYDERABAD

Hyderabad Ombudsman Centre

Case No: L-21-001-0346-2009-10

Smt. Anna J.Alvares

Vs.

LIC Of India, Dharwad Divn.

Award Dated:: 27.10.2009 **Award No: I.O.(HYD) L- 34-2009-10**

The complaint is about the repudiation of claim on Policy No. 631630676, 631661246, 631662943 by LIC Of India, Dharwad Division.

Smt. Anna J. Alvares approached this office following repudiation of claim on the policies of her late husband Sri John Thomas Alvares. The insurer had rejected the claim on the ground that the life assured had withheld material information and gave false answers to questions regarding his health in the 'personal history' of the proposal forms submitted by him at the time of effecting the policies.

Both the parties were heard in a personal hearing on 23.10.09 and all the documents submitted were perused.

The complainant pleaded that the deceased life assured had paid insurance premiums for 2 to 3 years. He died at an early age leaving two young children and that she found it difficult to maintain them and provide good education. She wanted the insured amount to be settled. The complainant stated that she was not aware of the misstatements, if any, made and pleaded that the claim be settled in her favour.

The insurer contended that there was irrefutable evidence to show that four years before he proposed for the first policy cited he had been diagnosed HIV+, had taken treatment in a hospital, and was on medical leave repeatedly. He did not disclose these facts in any of the proposals. The insurer submitted that in terms of the contract and the declaration contained in the form of proposals for assurance, these claims were repudiated and accordingly LIC was not liable for payment under the policies.

The insurer on the other hand produced copies of the DLA's medical history obtained from the S.W. Railway Hospital to prove that he suppressed material information relating to his health and gave false answers in the proposal form with *mala fide* intention. The insurer further stated that the DLA was diagnosed as HIV+ in 2002 and had taken treatment as in-patient in Railway Hospital from 25.03.2002 to 28.03.2002 and again from 14.10.2002 to 16.10.202 for HIV +ve and Epilepsy. He also mentioned that the DLA was on medical leave repeatedly and had not revealed about them in the proposal form. The insurer stated that the DLA secured the policies without disclosing information about his past illness. Hence, rejection of the claim for non-disclosure of material information was justified. The insurer also stated that for one policy bearing No. 631579752 dated 28.12.2003 for Rs. 40,000, the claim was paid as non-early taking a lenient view even though the disease pre-existed the date of proposal.

Perusal of the above documents clearly revealed that the DLA had suppressed information about his health prior to the dates of proposal for assurance. The insurer, therefore, is justified in repudiating the claim for non-disclosure of material information and misstatement in the proposal in respect of Policy Nos. 631661246 & 631662943.

The insurer's repudiation action under Policy No. 631630676 is, however, not backed by factual evidence as claimed by them in their repudiation letter. The DLA had not given any reply to queries relating to personal history in the proposal form dated 24.03.06 for issue of Jana

Raksha Policy for Rs. 40,000. The proposal was accepted on the same day and the policy was issued. Thus, in respect of this policy, the insured could not be accused of suppression of information. The insurer did not bother to seek answers to the questions in the form. The insured, therefore, was not at all guilty of misrepresentation. Consequently, repudiation of the claim on the ground of 'false answers' is not justified. As regards the gaps in the premium against policies, the insurer did not furnish any evidence to show that intimation was sent to the life assured and not complied with by him.

In view of the aforesaid reasons, It was held that repudiation of the complainant's claim for the sum assured under Policy No. 631630676 by the insurer is not proper. The insurer was therefore, directed to pay the sum of Rs. 40,000 as per policy condition. Claims in relation to the other policies were correctly repudiated.

The complaint is partly allowed.

Hyderabad Ombudsman Centre
Case No: L-21-001-0318-2009-10

Shri M Venkatesh
Vs.
LIC Of India, Bangalore II Division

Award Dated:: 27.10.2009 **Award No: I.O.(HYD) L- 35-2009-10**

The complaint is about the repudiation of claim on Policy No. 363305109 by LIC Of India, Bangalore II Division.

Sri M. Venkatesh approached this office following repudiation of his brother Late M. Ravi's death claim by LIC of India, Divisional Office-II, Bangalore. The insurer had rejected the claim for suppression of material fact while reviving the policy on 03.06.08.

Both the parties were heard in a personal hearing on 23.10.09 and all the documents submitted were perused.

The complainant stated that his brother Late M. Ravi had taken a policy bearing No. 363305109 for Rs. 50,000 from LIC of India, Richmond Town Branch Office under Bangalore II Divisional Office. As the policy was in lapsed condition it was revived on 03.06.08 by paying the arrears of premiums with interest. Unfortunately, he died suddenly on 04.06.08 of chest pain. He was not admitted in any hospital. But LIC repudiated the claim stating that he was suffering from heart problem prior to revival of the policy. The complainant stated that his brother died suddenly at home due to chest pain and was not treated in any hospital before his death. He

stated that the claim was wrongly denied by the insurers on ground of suppression of material information regarding his health before revival of the policy.

The policy issued on 21.06.05 was in lapsed condition without acquiring any value as only 2 Qly premiums were paid. However, it was revived on 03.06.08 on the strength of personal statement of health by paying 10 Qly. Premiums due from 12/05 to 03/08. The DLA died on 04.06.08. Investigation revealed that the life assured suppressed material facts about his health condition at the time of revival of the policy. The answers given in the personal statement of health were found to be false as they have evidence to show that he was suffering from heart problems and availed treatment in a hospital in Bangalore. Hence in terms of the declaration signed by him at the foot of the said personal statement the revival of the policy was declared void and all monies paid towards revival of the policy stood forfeited.

The insurer's representative stated that the policy was in lapsed condition and it was revived one day before the life assured's death. Evidence suggested that the insured was suffering from heart disease before revival of the policy. When he was asked to substantiate this statement, he produced the prescriptions of a doctor who had referred the patient to a heart specialist. There is nothing to show that the prescriptions belonged to the DLA. Also, the doctor had referred the patient to a specialist in Jayadeva Hospital since he suspected the patient to be suffering from a heart problem. The insurer did not have any evidence from the specialist.
Ombudsman opined that even if the doctor's advice slips produced as evidence belonged to the DLA, they are neither continuous nor conclusive. It could be for a simple ailment that the insured got treated. The reference made in one of the slips to consult Jayadeva Hospital is of recommendatory nature based on suspicion that he might be suffering from heart disease.

Statements by the policy holder as to his health are given on the basis of his belief. The insurer cannot repudiate a claim on suspicion, however strong the suspicion might be. In this case, the insurer suspected foul play, collected some slips of a doctor and concluded against the DLA. The suspicion was warranted since the insured died within a day of revival of the policy but there was need to collect irrefutable evidence. It is here that the insurer failed the test.

After considering the contentions of both the parties carefully, Ombudsman taken a view that the evidence produced that the DLA was suffering from heart problems prior to revival was not established and, therefore, cannot be accepted. Accordingly, the insurer is directed to settle the claim.

Hyderabad Ombudsman Centre
Case No: L-21-001-0387-2009-10

Smt.Shanti M Naik
Vs.
LIC Of India, Udupi Division

Award Dated:: 27.10.2009 **Award No: I.O.(HYD) L- 36-2009-10**

The complaint is about the repudiation of claim on Policy No. 623650951 by LIC Of India, Udupi Division.

Sri Madhu Naik, aged 51 years, working as cook in BCM Dept., of Karnataka Govt. Submitted a proposal on 31.10.07 for Rs. 65,000/- which was accepted on 28.11.2007 and Policy No. 623650951 was issued to him. He died on 15.07.08, i.e. 7 months and 15 days after the issue of the policy. The insurer repudiated the claim on the ground that the insured suffered from liver cirrhosis and that he had suppressed this information while taking the policy. The insured's wife stated that she was not aware of the conditions of the policy and that the claim should be settled in her favour considering her plight.

Both the parties were heard in a personal hearing on 23.10.09 and all the documents submitted were perused.

The complainant stated that her husband died on 15.07.08 and she submitted her claim to LIC, Puttur Branch which was repudiated. She claimed that her husband was healthy and that she belonged to a poor family and has to maintain three children. She requested settlement of the claim disregarding technicalities considering that her husband was illiterate and paid the premium in spite of being poor. The complainant who was accompanied by her brother stated that they were not aware of the deliberate suppression of material information relating his health prior to the date of issue of the policy. They stated that since the deceased belonged to a poor family, a lenient view should be taken and the claim should be paid.

The insurer contended that about 3 months before the life assured proposed the policy, he had suffered from cirrhosis of liver for which he had taken in-patient treatment from a hospital from 18.07.07 to 23.07.07. He was also on medical leave for 10 days from 12.10.06 to 21.10.06 and for 21 days from 11.07.07 to 31.07.07 as per the employer's leave records. He did not disclose these facts in the proposal dated 31.10.07. Hence, the claim was repudiated for deliberate suppression of material information relating to health prior to proposal. The insurer's representative produced evidence, viz. hospital records and employer's certificate to prove that the DLA was aware that his health condition was not good and deliberately gave false answers in the proposal form to mislead the insurance company. The statements about the insured's health condition had a material bearing on his insurability. He stated that there was a clear nexus between the cause of death, i.e. jaundice and the disease suffered prior to the date of proposal, i.e. cirrhosis of liver for which treatment was taken in Adarsha Hospital, Puttur from 18.07.07 to 23.07.07. He stated that the claim was correctly repudiated for non-disclosure of material information about health.

The medical records produced by the insurer make it clear that the DLA was suffering from 'cirrhosis of liver' before the inception of the policy and that he had availed leave on medical grounds as per the certificate of his employer prior to the date of proposal. These material facts were not mentioned in the proposal form. It is clearly a case of breach of utmost good faith.

Notwithstanding the above, Ombudsman taken a view that the DLA was probably misled or induced by the agent to take the policy. The insured was not very literate in order to understand the implications of the policy conditions. Had he known that the claim on the policy might be repudiated, he would not have taken any risk since even a little premium mattered to him financially. In any case, he left his widow in indigent circumstances and she deserves sympathy.

Taking into account the circumstances of the case, possibility of unfair inducement and the economic status of the complainant, it was deemed fit that the complainant be paid an amount of Rs.3000 (rupees three thousand only) as ex gratia.

Accordingly, the insurer is directed to pay an amount of Rs.3000 to the complainant. The complaint was allowed in part.

Hyderabad Ombudsman Centre
Case No: L-21-001-0457-2009-10

Smt.Mortha Premamma
Vs.
LIC Of India, Machilipatnam Division

Award Dated:: 29.10.2009 **Award No: I.O.(HYD) L- 37-2009-10**

The complaint is about the repudiation of claim on Policy No. 674931270 by LIC Of India, Machilipatnam Division.

Smt. Moortha Premamma approached this office following repudiation of her husband late Sri M. Satyanandam's claim for policy moneys by LIC of India, Machilipatnam. The insurer had rejected the claim for suppressing material facts relating to his health prior to the issue of the policy.

The insurer stated that the Deceased Life Assured (DLA) proposed for insurance on 15.07.05 which was accepted on 05.08.05 and policy bearing no. 674931270 was issued. He died on 04.02.08. Investigations revealed that DLA had history of diabetes and was under administration of insulin for 20 years.

Both the parties were heard in a personal hearing on 28.10.09 and all the documents submitted were perused.

The complainant stated that she was unable to agree with or accept the decision of the authority repudiating her claim. She claimed that her husband worked as a Group-D employee (Blacksmith) with the Railways and that he was educated up to the 5th class only. He retired on

31st August 2004 on superannuation and served the Railways till the date of retirement. She stated that all the forms were prepared by the agent and her husband's signature had been taken on them. She contended that her husband underwent medical examination by LIC doctor before the issue of the policy and certified him as in good health. She submitted that she was poor and their hard earned money was paid towards the premium in the hope of protection. She requested that justice be done to her by settling the claim.
The insurer stated that the Deceased Life Assured (DLA) proposed for insurance on 15.07.05 and their Investigations conducted after death, revealed that DLA had history of diabetes and was under administration of insulin for 20 years.

The insurer stated that the DLA's medical record (OP No. 654) showed that he was under treatment for complication consequent upon chronic DM. He had a history of fall on back in sitting position on 16.07.02 and he also had undergone BIDS therapy in September 2003. He also underwent RE Cut Surgery on 26.11.04. The life assured did not choose to mention his adverse state of health or treatment undergone in his proposal. As required, medical report and special medical reports were obtained at proposal stage but those reports did not indicate the health problems of the DLA. The life assured died of complications resulting from diabetes. Thus, the insurer claimed that the nexus of cause of death with the past history of illness was established. The insurer, therefore, submitted that the repudiation was in order.

In the hearing scheduled on 28th October 2009, Sri A.V. Krishna Rao of Vijayawada, a railway employee, and a family friend represented the complainant.

The representative of the complainant contended that the life assured was induced to take the policy by an agent of LIC. He submitted that the LIC panel doctor subjected the DLA to thorough medical examination before the issue of the policy. He was found to be in good health. He claimed that if medical examination revealed him to enjoy sound health and if that constituted the basis for issue of the policy, any other reason cannot be cited for repudiation. He also stated that the DLA's medical papers from the Railways on past illness which the insurer has produced in support of repudiation have no evidentiary value in the context of the medical examination. He contended that the insurer cannot revive the issue of past illness and make it a ground for repudiation of the claim. When the complainant's representative was specifically asked to comment on the evidence which clearly revealed that the DLA was suffering from diabetes since 2002 and was under administration of insulin regularly and had taken treatment in the Railway hospital on several occasions both as inpatient and outpatient for various ailments, he stated that the insurer should have put him to more rigorous medical tests and ascertained the exact state of health. He further stated that the DLA died suddenly at home due to chest pain and was not treated in any hospital before his death and hence submitted that his past illness had no nexus with the cause of death.

The insurer's' representative stated that the medical examination and the special reports obtained at the proposal stage did not reveal any adverse feature in health and hence the proposal was accepted. Had the DLA disclosed his past illness and his treatment in the hospital, the proposal would have contained different terms. He stated that the DLA intentionally suppressed material information to defraud the insurer. When the insurer was asked as to how the medical

examination did not reveal the correct state of health, the insurer replied that he might have taken medicine before the tests were conducted.

The insured at the age of 61 proposed for insurance. He was examined by the insurer's panel doctor and special reports BST & ECG were also obtained as required and they were found to be in order. The medical tests did not reveal the DLA's past illness. Yet, the DLA was expected to reveal his past illness and treatment thereof in his proposal. The insurer has submitted sufficient evidence to show that the life assured was suffering from diabetes for which he had been taking treatment regularly from Railway Hospital since 2002. The medical history also shows several visits to the hospital for various ailments prior to the date of proposal. The insurer, therefore, has sufficient grounds for repudiation of the policy and there was fault with the decision of the insurer. Yet, it is necessary to point out that the insured obtained the policy after 60 years of age and that too after subjecting himself to medical examination. He was not a very literate person. Apparently, the medical tests, if performed, were done in a casual manner. If the insured was careful while underwriting the policy, this policy would not have been issued at all. The DLA, who was poor and who paid premium for more than two years in spite of his poverty, too would have saved his precious money.

Although technically the insurer was well within its right in repudiating the policy, Ombudsman opined that the widow of DLA deserves sympathy. Considering the circumstances of the case, Ombudsman deemed it fit to award ex gratia of Rs.15, 000 to the complainant and so, the insurer was directed to pay this amount to the complainant.
In the result, the complaint is allowed in part.

Hyderabad Ombudsman Centre
Case No: L-21-001-0314-2009-10

Sri Ch. Kasi Viswanadham
Vs.
LIC Of India, Rajahmundry Division

Award Dated:: 6.11.2009 Award No: I.O.(HYD) L- 39-2009-10

The complaint is about the repudiation of death claims under policies 802672921, 802658594, 801323546 held by his wife, late Smt. Chekka Nagamani. The complainant stated that his wife obtained four insurance policies from LIC of India, Tanuku Branch. After the death of his wife, he submitted original patta in respect of Policy No. 802672929 in the month of July 2008 and obtained Rs.1,00,000. Subsequently, he found three other policies in his iron chest, which he submitted to the insurer for payment. The insurer rejected the claims on the ground that the life assured did not disclose about the earlier policies while

submitting proposals dated 19.02.07 and 14.08.07. The insurer proposed recovery of a sum of Rs. 45,000/- from the complainant stating that excess payment had been made against Policy No. 802672921.

The insurer stated that the life assured had taken four policies from Tanuku Branch office. The sum assured on all the policies amounted to Rs. 2.45 lakhs. The life assured was category III Woman and submitted non-standard age proof, i.e. voter card. The maximum insurance allowable in such a case was Rs. One lakh but she had taken policies of Rs. 2.45 lakhs sum assured by not disclosing the previous policies while taking insurance Policy No. 802645594 and 802672921. Had she disclosed the previous policies, they would have restricted the insurance to Rs.55, 000/- sum assured under Policy No. 802658594 and the last policy No. 802672921 would not have been issued to her. They further stated that the claimant did not prefer claims under all the policies at one time. The claimant first preferred claim on Policy No. 802672921. Since the details of the other policies were not furnished, the claim was admitted for Rs.1, 00,000 sum assured.

Subsequently, the branch office settled non-early claim under Policy No. 670938910 for Rs. 25,000. Later, the claimant submitted claim forms for other policies also. The standing committee of Divisional Office examined the matter and decided to restrict the total sum assured to Rs.1, 00,000 on all the policies of the life assured. Accordingly, the sum assured under Policy No. 802672921 was now restricted to Rs. 55,000. It is also decided not to release the claim under Policy No. 801323546 but adjust the claim amount towards excess payment made under policy No. 802672921. The bid value of units amounting to Rs.13, 325.70 under Policy No. 802658594 was payable to the claimant. The Claims Review Committee of Zonal Office upheld their decision.

The complainant stated that all the policies were taken from Tanuku Branch office only. The agents who filled in the proposal forms did not ascertain the correct details and that their acts of omission should not be held against the life assured. When asked about the claims made in piecemeal manner, he stated that he was not aware of the policies and he made the claims as and when he noticed the policies. He stated that there was no mala fide intention in submission of claims at different points of time.

As per the insurer's contention, the claims of the complainant were partly admitted and partly repudiated for reason that the DLA did not disclose her previous policies. Moral hazard revealed itself only when the claim arose and it was too late to take appropriate underwriting measures. Therefore, it was necessary to allow the claim up to Rs. 1,00,000 only.

The status of the four policies is as under:

Policy No.	Plan & Term	SA Rs.	DOC	Remarks
670938910	91-20	25,000	28.08.91	Death claim paid
802672921	180-20	1,00,000	14.08.07	Death claim paid
801323546	93-25	20,000	28.03.95	Claim admitted – Death claim

				not paid
802658594	180-20	1,00,000	09.03.07	Claim admitted for bid value of units of Rs. 13325.70

The complainant's submission that the DLA was not responsible for non-disclosure of previous policies, as the agents had filled in the proposal forms, has no merit inasmuch as they were the agents of the proposer and not of the insurer. If the insurer had knowledge of other polices held by the DLA, the risk would have been restricted. Thus, the insurer was technically correct in its decisions. But it is pertinent to note that all the policies were issued by one branch only. The branch should have noticed that the ceiling of Rs.1,00,000 applied to the DLA and so the proposals should have been evaluated appropriately. Further, it is seen that the proposal forms were in the English language and so it was simply not possible for the proposer to understand the implications of the proposals. Moreover, in one proposal, the proposer did not even state that she was explained the contents of the form in a language known to her. It is obvious that the proposer knew only a smattering of Telugu. Thus, the branch office ought to have taken the trouble of explaining the form to the DLA. This was not done. Had this been done, the DLA would have been allowed only appropriate cover.

While accepting that the insurer apparently could not be found fault with its decision, it was held that the DLA also was not entirely at fault in non-disclosure of other policies. In the circumstances, it was viewed that this complaint calls for ex gratia award, spelt out as under:

The insurer has paid death claim of Rs.25,000 on policy No. 670938910 and Rs.1,00,000 on policy No.802672921. The insurer is directed not to make any recovery out of the aforesaid payments. The insurer also is directed to pay in full the death claim admitted in respect of policy No.801323546. Insofar as policy No.802658594 is concerned, the insurer is directed to pay only the admitted bid value of units at Rs.13,325.70.

In the result, the complaint is partly allowed.

Hyderabad Ombudsman Centre
Case No: **L-21-001-0425-2009-10**

Smt.Syed Jaibunnisa
Vs.
LIC Of India,Nellore Division

Award Dated:: 30.11.2009 Award No: I.O.(HYD) L- 40-2009-10

The complaint is about repudiation of death claim on policy 842770516 by LIC Of India, Nellore Division.

The complainant stated that her husband died of throat cancer on 7.1.2007 and when she claimed for monies under Policy No. 842770516, the Insurer, LIC of India, repudiated the claim by their letter dt.15.4.08 stating that the deceased had taken treatment at Kishore ENT Hospital, Ongole prior to the date of proposal. She submitted that the deceased consulted Kishore ENT Hospital, Ongole on 31.3.06 and not prior to 31.3.06. The nature of case mentioned in the OP Chit dt.21.4.06 as "Change of Voice & Dry Cancer – 1 Month" is not the version of her husband nor was it supported by his signature. It was the description by the doctor. In fact, her husband did not know the nature of the disease he was suffering from. After that consultation, he approached ENT Hospital, Guntur on 22.4.06 and Indo-American Cancer Institute & Research Centre, Hyderabad on 29.4.06 for necessary tests. In view of this, she pleaded to direct the LIC of India to settle the death claim. In her brief notes given with Form P2 dt.19.10.2009, she clarified that the first consultation done at Kishore ENT Hospital, Ongole was on 21.4.06 and not on 31.3.2006 as stated in her letter dt.11.9.09 and stated that it was a typographical error in the letter dt.11.9.09.

The complainant's authorized representative stated that the life assured consulted the Kishore ENT Hospital, Ongole only on 21.4.06 but the proposal was dated 31.3.06 and the premium also was deposited on 31.3.06. Hence, he pleaded for settlement of full sum assured under the policy. The insurer's representative, on the other hand, stated that the proposal dated 31.3.06 was received and registered by the office of the LIC on 15.5.06 and the same resulted into policy on 16.5.06 with risk commencement date as 15.5.06. By the time the insured had submitted the proposal, he was aware of the illness as he had by then consulted various doctors and had taken treatment for cancer. As he was himself the agent of the LIC, he could have submitted the proposal in the month of March itself. This was not done. Instead, only after his knowledge about the illness, he obtained the policy. Hence, the claim was repudiated. The life assured had another policy No:842759197 for Rs.50,000 which commenced from 28.11.05 and the LIC settled the claim on the same.

The contract of insurance is a contract of utmost good faith and both the parties shall disclose all facts, in full, to the other. The deceased was an agent with the insurer. So, he had full knowledge of the nature of the contract that he was entering into with the insurer. It is evident from the doctor's prescription dt.21.4.06 that the deceased life assured consulted Kishore ENT Hospital, Ongole for cancer and that he had consulted ENT hospital, Guntur on 22.04.06 as also Cancer Institute, Hyderabad on 29.04.06. Thus, there is no doubt whatever that on the date of submission of the proposal, i.e. 15-5-06, he was aware that he was afflicted with throat cancer. The deceased, therefore, concealed the state of his health in the proposal submitted on 15-5-06. In view of this, the insurer's decision to repudiate the claim is in order.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-001-0442-2009-10**

Sri K.Subba Reddy
Vs.
LIC Of India,Nellore Division

Award Dated:: 30.11.2009 Award No: I.O.(HYD) L- 41-2009-10

The complaint is about repudiation of death claim on policy 842785835 by LIC of India, Nellore Division.

The complainant stated that his mother, Smt.K.Seshamma, obtained a policy on 28.5.05 under medical basis and the policy was revived on 5.2.2008 under DGH and Medical by LIC. She took loan on 12.9.08 on the policy. She died on 5.11.2008. When claimed for monies, the LIC repudiated the claim on the policy stating that the life assured was suffering from Parkinson's disease since prior to the date of revival, and had she disclosed her illness, they would not have revived the policy. The complainant stated that his mother was not under treatment for any disease. He stated that the insurer erred in repudiating the claim.

The insurer stated that the policy was revived under Special Revival Campaign with Declaration of Good Health only without Medical examination on 5.2.2008. The hospital reports revealed that she had illness prior to the date of proposal i.e. 29.12.2005. The claim was repudiated on the grounds of pre-revival illness

The complainant stated that the life assured never suffered from any illness and she did not take any treatment. She died due to heart attack. The insurer stated that they have the documents obtained from (a) Pranathi Neuro Super Speciality Hospital Outpatient card containing details of treatment from 20.6.05 to 19.7.05 (b) record of Diabetes Research centre, Nellore dt.18.7.2005 detailing pathological tests, ECG, Sugar, Cholesterol, blood and urine tests undergone there and the relevant prescription by Dr. Anil Kumar Reddy (c) CSR report dt.20.6.06 by JNR Diagnostic Centre, Ongole. These were produced at the time of hearing for perusal. The policy lapsed due to non-payment of premium and the same was brought into force by payment of arrears of premia and on the basis of declaration of Personal Statement of Good Health dt.5.2.2008, which was attested by the agent.

As per the documents, the life assured was under medical treatment at various hospitals prior to the revival of the policy. Thus, evidently the life assured had made deliberate mis-statements to questions at Sl.No.2 and 4 of Personal Statement of Health dt.5.2.2008 and withheld material information regarding her health at the time of getting the policy revived. Had she disclosed the illness at the time of revival, the policy would not have been revived. It is also noted that she obtained a loan of Rs.6, 500 from the insurer on the policy on 12.9.08.

Hence, the action of repudiation taken by the insurer is just and right.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-001-0433-2009-10**

Smt.Sula Bai

Vs.
LIC Of India, Aurangabad Division

Award Dated:: 8.12.2009 Award No: I.O.(HYD) L- 42-2009-10

The complaint is about repudiation of death claim on policy 984439512 by LIC Of India, Aurangabad Division.

The complainant stated that her husband had given all details of the previous policies to the agent, who had filled in the forms. But by oversight, the agent did not mention the details of the previous policies, for which the life assured was not liable. It was the mistake committed by the agent and the insured should not be held liable for the mistake. So, the complainant requested that the claim amount on the policy be paid.

The insurer's representative stated that the life assured had taken his first policy no: 984423889 in 2006 at Udgir branch and submitted another proposal dt.28.4.07 there. But in the second proposal, he did not mention about the previous policy. Further, they came to know that the life assured had two more policies nos: 664279941 & 664279923 each for a sum of Rs.1, 00,000 (triple cover risk) proposed in Jan. 2007 but was accepted in June 2007. Further, the insurer's representative stated that the life assured was having a policy 984423889 for Rs.1,00,000 (triple cover risk) which commenced from 28.2.2006 at Udgir branch. This was not disclosed in the proposal dt.28.4.2007. Had he disclosed the previous policy in his proposal, the sum under consideration would have been Rs.6 lakhs instead of Rs.3 lakhs and they would have called for some other medical reports to decide the case. Had he disclosed about these two proposals, the risk on his life for consideration would have been Rs.12 lakhs (as all the policies were of triple cover risk) and they would have required PGBS, Lipidogram, Elisa for HIV, Haemogram, RUA, Chest X Ray and the decision of acceptance would have differed. But they considered the claim on policy no.984423889 under the Chairman's relaxation rules and paid. As the material fact was not disclosed, which affected their decision of acceptance, the claim on policy 984439512 was repudiated by them.

The complainant confirmed settlement on two policies by the insurer but the claim in respect of policy no: 984439512 was repudiated. She stated that the life assured was healthy and died suddenly due to chest pain.

A W A R D

It is evident that the insured obtained a policy 984423889 for Rs.1,00,000 in Feb.2006 at LIC of India, Udgir branch. Subsequently, he submitted two proposals at LIC of India, Bidar in Jan.07 for Rs.1,05,000 & Rs.1,00,000. When these proposals were under consideration, he submitted another proposal dt.27.2.07 for Rs.1,00,000 at LIC, Udgir branch. In his proposal dt.27.2.07, he did not make any mention of either the previous policy obtained from Udgir branch or the two proposals submitted at Bidar branch which were then under consideration. Hence, the Udgir branch accepted the proposal at ordinary rate of premium, taking into account only the sum of coverage as Rs.1 lakh (triple cover risk). At the time of claim, the LIC Of India, Udgir branch came to know about all the policies obtained at Udgir and Bidar branches and also that those policies accepted by Bidar were with extra premium, as he was not considered as a Standard Life.

Bidar branch of LIC settled the claim on their policy 664276941 and on another policy 664276923 nothing was payable by them, as it was under lapsed condition.

In view of non-disclosure of history of all the previous insurance policies by the life assured, Udgir branch repudiated the claim on policy 984439512. However, under their Chairman's relaxation rules, they settled one claim on policy 984423889.

As the contract of insurance is a contract of Utmost Good Faith, the parties to the contract shall disclose all facts, in full. It is evident that the insured did not disclose material facts. This vitiated the contract of insurance. Hence, it is right to uphold the repudiation action of the insurer on policyno.984439512.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-002-357-2009-10**

Sri Pompapathy
Vs.
SBI Life Insc.Co.Ltd.

Award Dated:: 29.12.2009 Award No: I.O.(HYD) L- 43-2009-10

The complaint is about repudiation of death claim on policy 24066311502 Unit Plus II Regular by SBI Life Insc.Co.Ltd.

The complainant stated that the life assured died on 14.12.08 due to natural death at house. He had not been hospitalized for any treatment or sickness before the death and there were no symptoms of sickness before his death. When claimed for sum assured, the insurer settled the fund value of Rs.17,467 only.

The insurer stated that the life assured submitted a proposal dt.29.11.08 wherein he replied in negative to Q.No.8 iii and xii and basing upon the answers, they issued the policy with date of commencement 8.12.08. He died on 14.12.08, within 6 days of acceptance of the proposal. During their investigations, they came to know that he was a known case of COPD and he was diagnosed for Exacerbation of Chronic Obstructive airway disease which was prior to the policy commencement date. The summary sheet dt.7.10.08 of VIMS, Bellary revealed that he was suffering from the disease. Knowing the illness, he applied for insurance cover, suppressing the facts and by answering in negative to the relevant questions in the proposal form. He misled the insurer and obtained the policy with a mala fide intention. Hence, they repudiated the sum assured on the policy and settled the fund value of Rs.17, 467 on the policy.

A W A R D

The summary sheet of Vijayanagar Institute of Medical Sciences, Bellary states that Mr.Rangappa was admitted on 5.10.08 for acute exacerbation of chronic obstructive airway disease and the history states that he was a known case of COPD. He was discharged from the hospital on 7.10.08. He made a proposal dt.29.11.08 to SBI Life Ins.Co.Ltd. Wherein he answered as "NO" to the following questions:

Q, No.8 (iii): During the last 10 years, have you undergone or advised to undergo hospitalization, an operation or any investigation or medical treatment?

Q.No.8 (xii): Are you suffering from or did you suffer in the past from Lung Disease?
The policy was accepted with commencement date 8.12.08 and he died on 14.12.08.

It is clearly established that the insured suppressed material facts about his health and the history of hospitalization and misled the insurer by giving false answers in order to obtain the policy. The contract of insurance is a contract of Utmost Good Faith and both the parties shall disclose all facts, in full, to the other. The insured did not follow this dictum. Hence, the repudiation action taken by the insurer on the policy 24066311502 is fully justified.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-002-357-2009-10**

Smt.M.R.Meenakshi

Vs.
LIC Of India, Bangalore I Divn.

Award Dated:: 29.12.2009 Award No: I.O.(HYD) L- 44-2009-10

The complaint is about repudiation of death claim on policy 612011081 By LIC of India, Bangalore I Divisional Office.

Shri Ranga Hanumaiah submitted a proposal dt.31.5.2004 and obtained a policy from LIC of India for a sum assured of Rs.50,000. He died on 22.9.2005 due to renal failure.

The complainant stated that her husband did not apply any leave till his death and he never went to any hospital for treatment. She claimed that the insurer was not justified in repudiating the claim.

The insurer stated that the life assured was Head Master of GHPS, Kataganahatty. He obtained the policy for Rs.50,000 by submitting a proposal dt.30.5.2004. In the said proposal, answers to the questions 11 a,b,c,e,i were found to be false inasmuch as they have evidence to believe that he was suffering from renal failure for which he had been taking treatment prior to the date of proposal. He did not disclose this fact in his proposal and gave false answers deliberately withholding the material information regarding his health. Hence, they repudiated the claim on the policy. However, another old policy 612007860 which was taken before the onset of renal failure was admitted by them.

The complainant was absent and none on her behalf attended the hearing. The insurer's representative stated that the life assured made incorrect statements in the proposal dt.30.5.2004 submitted for obtaining the policy. On 15.11.2003, he had consulted the Manipal Tumkur Hospital and the diagnosis made by them was ADPKD, OD, CRF, Left femoral neck by consultant nephrologist. The life assured also had consulted Aditya Orthopedic Centre, Tumkur on 27.10.03. All these facts which are material for acceptance of risk were suppressed by the life assured. Hence, they repudiated the claim on the policy.

A W A R D

The complaint is decided ex parte on merits, since neither the complainant nor any authorized representative on her behalf attended the hearing...

From the document Referral Note dt.15.11.2003 of Manipal Tumkur Hospital, it is evident that Mr.Ranga Hanumaiah was diagnosed as a patient of ADPKD, ROD, CRF, # left femoral neck by Dr.Kishore Babu, Consultant Nephrologist. His note dt.15.11.03 under patient ID 6819 states that Mr.Ranga Hanumaiah has ADPKD renal Osteodystrophy and severe renal failure. He further stated that Mr.Rangahanumaiah would require dialysis and then only could he

be operated. His prognosis was that post operation, Mr.Rangahanumaiah might become dialysis dependant.

It is noted that Mr.Ranga Hanumaiah consulted Dr. TV Tyagaraj, Ortho Surgeon of Aditya Orthopaedic centre, Tumkur on 27.10.03. From the discharge summary of Manipal Tumkur Hospital during the period of treatment from 1.8.05 to 8.8.05, he was stated to be a known case of CRF (Chronic renal failure) since 2 years on irregular treatment and also diagnosed to be a patient of adult Poly-cystic Kidney disease, CRF on MHD, LRT. Again from the discharge summary of Manipal Tumkur Hospital where he was under treatment from 29.8.05 to 31.8.05, he was stated to be a known case of CRF since 2 years on MHD.

The foregoing documents clearly establish that M.Ranga Hanumaiah suppressed the illness and the treatment he had undergone and deliberately gave false answers about his health in the proposal dt.30.5.04 to obtain the policy from the Insurer. The contract of insurance is a contract of Utmost Good Faith and both the parties shall disclose all facts, in full, to the other. Mr.Rangahanumaiah did not adhere to this and grossly failed in making a disclosure of his ailment. Hence, the insurer was justified in repudiation of the claim on policy 612011081.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-009-496-2009-10**

Smt.Sharada Mohan Shetty
Vs.
Bajaj Allianz Life Insc.Co.Ltd.

Award Dated:: 29.12.2009 Award No: I.O.(HYD) L- 45-2009-10

The complaint is about repudiation of death claim on policy 612011081 By LIC Of India, Bangalore I Divisional Office.

Shri Mohan K. Shetty, 54 aged years, submitted a proposal dt.26.6.07 and obtained a policy "Capital Unit gain" for a sum assured of Rs.2,00,000 from Bajaj Allianz Life Insc.Co.Ltd. The policy commenced from 23.7.07 and he died on 29.12.08 due to chronic renal failure.

The complainant stated that all facts were communicated to the insurer but the insurer repudiated the claim on non-disclosure of material facts. Those facts were disclosed to advisor Mr.Ramesh M Hegde and also to the investigator by her family members. She prayed for refund of the fund value on the policy at least.

The insurer stated that they considered the proposal dt.26.6.07 and on the basis of the facts mentioned therein issued the policy. But the investigations conducted by them revealed that

prior to the date of proposal, the life assured was hospitalized and took treatment in October 2006 and February 2007 for Type II Diabetes mellitus, high blood pressure, chronic kidney disease stage 5, anaemia of chronic kidney disease, pruritis and chronic fissure-in-ano. All these facts, which are vital for acceptance of risk, were suppressed and had he disclosed, they would not have issued the policy. As there was deliberate concealment of material facts, they repudiated the claim on the policy.

The complainant's representative stated that the premiums were paid but the insurer repudiated the sum assured and also the saving element of fund and pleaded for refund of fund value.

The insurer's representative stated that prior to the date of proposal, the life assured was diagnosed to be a patient of Type II Diabetes mellitus, hypertension, chronic kidney disease stage 5, Ureic pruritis, Right primary hydrocele, as per the discharge summary sheet of St.Johns Medical College Hospital, where he was admitted on 27.10.06 and discharged on 30.10.06. Again he was admitted on 1.2.07 and was treated up to 15.2.07, as per summary sheet of St.John's Medical College Hospital, wherein the diagnosis was Type 2 DM, Hypertension, Chronic Kidney Disease, Anaemia, Pruritis, and Chronic Fissure in ano. Concealing all these facts, which were material for acceptance of risk, he obtained the policy and, hence, the claim was correctly repudiated by them.

A W A R D

The summary sheet of St.John's Medical College Hospital stated that the life assured was admitted there on 27.10.06 and discharged on 30.10.06 and he was diagnosed to be Type 2 Diabetes Mellitus, Hypertension, Chronic Kidney Disease, Ureic Pruritis, Right Primary Hydrocele. Again he was admitted in the same hospital on 1.2.07 and took treatment up to 15.2.07 and the diagnosis was chronic Kidney Disease – stage V besides all those diseases mentioned in the summary sheet of 30.10.06. Again he was admitted on 3.5.07 in the same Hospital and the diagnosis was the same.

From the summary sheets of St.John's Hospital, it is evident that he was a patient of chronic Kidney Disease with other ailments and suppressing all these facts, in his proposal dt.26.6.07, he obtained the policy from the insurer. The contract of insurance is a contract of Utmost Good Faith and both the parties shall disclose all facts, in full, to the other. The insured had not honoured this dictum. Hence, repudiation of sum assured under the policy No.55582925 by the insurer is fully justified.

Notwithstanding the above, no merit is found, in repudiation of fund value as on the date of death. That had accrued to the insured nevertheless. The insurer is therefore, directed to refund the savings portion of premium viz., fund value as on the date of death to the complainant.

In the result, the complaint is partly allowed.

Hyderabad Ombudsman Centre
Case No: **L-21-009-496-2009-10**

Shri Siddaiah

Vs.
LIC Of India, Bangalore I Divnl.Office

Award Dated:: 29.12.2009 Award No: I.O.(HYD) L- 46-2009-10

The complaint is about repudiation of death claim on policy 614934947 by LIC of India, Bangalore I Divisional Office.

Smt. S. Neelamma w/o Sri Siddaiah submitted a proposal dt.17.1.06 for a sum assured of Rs.50,000 and obtained a policy from LIC Of India. The policy lapsed due to nonpayment of premia from January 2007. She got the policy revived on 8.2.2008 by paying the arrears of 3 Hly. Premiums and on submission of personal statement of health dt.3.2.2008. She died on 18.2.2008 due to heart attack.

The complainant stated that a policy with LIC of India was taken on her wife and the claim on it was repudiated by the LIC. He pleaded for consideration of the claim.

The insurer stated that the life assured was an agriculturist and was issued a policy for Rs.50,000. The policy was in lapsed condition due to nonpayment of premia but the same was brought into full force by the personal statement of health dt.3.2.08 of her and by payment of the arrears of premia on 8.2.2008. In the said personal statement of health, the LIC found that the answers given to Q.No.2 a,b,c,d, and Q.No.4 were false as they have evidence that she was treated for paralytic stroke and was an in-patient in a hospital earlier to the date of revival. She did not disclose these facts and withheld material information about the hospitalization and her health condition at the time of revival of the policy. She died within 10 days of revival of the policy. Hence, they repudiated the claim and all moneys paid thereunder for revival were forfeited by them as per the declarations at the foot of the said personal statement of health dt.3.2.08.

The complainant stated that the life assured was taken for treatment to hospital by her brothers and that he was not aware of the details of the hospital.

The insurer's representative stated that the life assured made incorrect statements in the personal statement of health submitted for revival and got the policy revived on 8.2.08 when she had actually been admitted in NIMHANS (National Inst. of Mental Health & Neuro Sc., Bangalore) Hospital on 7.2.08 in an unconscious state and was under treatment. She consulted

the same hospital on 13.1.08 for stroke and was prescribed medicines also. She deliberately suppressed all these material facts which were known to her and got the policy revived on 8.2.08. The answers she gave in the personal statement of health to Q.No.2 a,b,c,d and Q.No.4 were false. Hence, they repudiated the claim on the policy.

A W A R D

Smt.Neelamma got her policy revived on 8.2.08 by payment of arrears of premia and also on the strength of personal statement of health dt.3.2.08. But it is evident from the Resident's report dt.13.1.08 of NIMHANS that she took treatment on 13.1.08. Again from the Resident's report of NIMHANS dt.7.2.08, it is evident that she was admitted in the hospital in an unconscious state. The policy was revived on 8.2.08.

As per the declaration of PSH dt.3.2.08 signed by her, she declared that if between the date of the declaration and the date of revival of the policy any change in occupation or any adverse circumstances connected with financial position or the general health of herself or that of any member of her family occurs, she shall forthwith intimate the same to the corporation in writing to reconsider the terms of revival of the policy. She further declared that any omission on her part to do so shall render the revival absolutely null and void and all moneys which shall have been paid in respect thereof shall stand forfeited to the corporation. The insured not only did not correctly inform the state of her health on the date of declaration of health but also failed to report her admission in the hospital a day before the revival of the policy.

The contract of insurance is a contract of Utmost Good Faith and both the parties shall disclose all facts, in full, to the other. The insured failed to honour this dictum.

In view of the foregoing, the repudiation action taken by LIC of India was upheld on policy 614934947.

The complaint is, therefore, dismissed.

It was also felt that probably the agent obtained the statement of good health from the insured knowing fully well that the insured was critically ill and the agent must have assured the complainant that the claim would be paid by the insurer without any fuss. Otherwise, the complainant, who appears to be a man of insubstantial means, would not have ventured to pay the arrears of premia. It is therefore, suggested that the insurer must examine the conduct of the agent who witnessed PSH dt.3.2.08 and take appropriate action against him.

Hyderabad Ombudsman Centre
Case No: **L-21-001-480-2009-10**

Smt. Prabha

Vs.

LIC Of India, Mysore Divnl.Office

Award Dated:: 29.12.2009 Award No: I.O.(HYD) L- 47-2009-10

The complaint is about repudiation of death claim on policy 614934947 by LIC Of India, Bangalore I Divisional Office.

Ms. S.R.Rani, aged 20 years, proposed for an insurance of Rs.1,00,000 by proposal dt.29.3.08, under non-medical basis and obtained a policy from LIC Of India. She died on 23.5.08.

The complainant stated that a policy with LIC of India was taken by her daughter when the agent canvassed for insurance. But when she died and the monies were claimed, the insurer repudiated the claim on the policy.

The insurer stated that the life assured gave false answers to Q.No.11 a,b,d,e,i & Q.No.15 of the proposal dt.29.3.08 and they have evidence that about 2 months prior to the date of proposal, she had suffered from acute Lymphoblastic Leukemia for which she had taken treatment at St.John's hospital, Bangalore from 28.1.08 to 6.2.08. This was not disclosed in the proposal dt.29.3.08 and she gave incorrect statements at the time of taking the insurance and, hence, the claim was repudiated.

The insurer's representative stated that the life assured made incorrect statements in the proposal dt.29.3.08 and suppressed material facts in the proposal. She was suffering from Leukemia and had taken treatment in St.John's Hospital, Bangalore as in-patient from 28.1.08 to 6.2.08 and was diagnosed as acute Leukemia. She had undergone biopsy test for bone marrow there and as per the discharge summary of the hospital, the relatives were not willing for chemotherapy. All these material facts were not disclosed to the insurer. She also had given false answers to the Q.No.11 a,b,d,e,i & QNo.15 of the proposal regarding health condition and obtained the policy.

A W A R D

It is evident from the discharge summary of St.John's Medical College Hospital, Bangalore that the life assured was admitted there on 28.1.08 and that she had undergone biopsy test for bone-marrow and took treatment up to 6.2.08. She was diagnosed as suffering from acute leukemia. Prior to this hospitalization also, she had undergone blood test on 25.1.08 and the report stated that she was afflicted with Leukemia. Suppressing these vital facts before the insurer, she obtained the policy.

The contract of insurance is a contract of Utmost Good Faith and both the parties shall disclose all facts, in full, to the other. The insured did not follow this dictum.

In view of the foregoing, the repudiation action taken by LIC Of India was upheld on the policy 724063218 .

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-009-461-2009-10**

Smt. Pothurajula Premalatha

Vs.
Bajaj Allianz Life Insc.Co.Ltd.

Award Dated:: 6.1.2010 Award No: I.O.(HYD) L- 48-2009-10

The complaint is about repudiation of death claims on policies 89166327; 89166342; 89166330 by Bajaj Allianz Life Insc.Co.Ltd.

Shri P.Raghupathi, aged 31 years, submitted 3 simultaneous proposals all dt.22.2.08 for a total sum assured of Rs.12 lakhs under the New Family Gain of Bajaj Allianz Life Insc.Co.Ltd. And all the policies commenced risk from 4.3.2008. He died on 3.11.2008, within 8 months, as per the complainant, due to accidental excess inhalation of insecticide.

The complainant stated that the life assured died accidentally due to inhalation of pesticide, while spraying it in his cotton field. Though she submitted all the documents viz. FIR, PMR, Final Report of Police, the insurer opined the death due to suicide and repudiated the claims on all the three policies. The complainant stated that there was no reason for her husband to commit suicide and that he died due to accidental excess inhalation of the pesticide. She also stated that Reliance Life Insc.Co.Ltd., another insurer, with whom also the complainant's husband had a policy, settled a claim for Rs.5 lakhs on 30.5.09.

The insurer stated that the life assured committed suicide relying upon the post mortem report. The insurer stated that the presence of the pesticide was indicative of consumption of the pesticide. If the pesticide was inhaled, the viscera would not have contained the pesticide. Instead, it would have been found in the lungs. Since death due to suicide was exclusion, they settled the fund value of Rs.934, Rs.3, 540 and Rs.3, 540 on the policies.

The total amount of insurance with accident benefit on all the policies amounted to Rs.24 lakhs. Complaints seeking relief in excess of Rs.20 lakhs cannot come with the purview of the

Redressal of Public Grievances Rules. Accordingly, the complainant was informed that the Ombudsman had no authority to deal with the complaint. When she was asked to approach any other forum for redressal of her grievance, the complainant gave a letter asking for relief of Rs.20 lakhs only on all the policies put together and pleaded for adjudication by the Ombudsman. This was accepted and the hearing was continued.

The FIR with the Police recorded that the life assured went to spray insecticide in his cotton fields at 11 a.m. and returned at 4 p.m. complaining of dizziness and fell unconscious. He died while he was being taken to the hospital by a three wheeler auto rickshaw. The Forensic Science Lab. report dt.28.11.2008 states that in their analysis, Organophosphate, an insecticide poison, was found in viscera. The final opinion dt.2.3.09 of Govt.Dist.Hqrs.Hospital, Karimnagar states that the cause of death was due to Organophosphate, an insecticide poison. The insurer referred the matter to their Chief Medl.Officer (CMO) to confirm from viscera report and post mortem report whether accidental inhalation of pesticide could end up in the stomach. The CMO's opinion dt.26.6.09 was: "Inhalation of insecticide will not harm the body so as to cause death. Insecticides will not be seen in viscera."

Farmers are used to spraying the insecticide. They do it by covering their mouth and nose so as to avoid inhalation of the insecticide. The complainant admitted that her husband had been in the habit of spraying the insecticide in his farm. In other words, the complainant's husband had not resorted to spraying the insecticide for the first time in his life. He, therefore, would have been well aware of the hazards of inhalation of the insecticide. He also would have taken precautions while undertaking the activity. Thus, accidental inhalation of the poison has to be ruled out. Further, the existence of the poison in the viscera is a pointer to consumption rather than inhalation. Purchase of multiple policies about the same time also is a pointer to contemplation of suicide. The evidence, therefore, suggests that the complainant's husband did not die due to accidental inhalation of poison and that consumption of insecticide caused his demise.

In view of the foregoing, it was held that the repudiation action taken by Bajaj Allianz Life Insc.Co.Ltd. on the policies 89166327; 89166342; 89166330 is fully justified**.**

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-002-567-2009-10**

Shri S. Narasimha Rao

Vs.
SBI Life Insc.Co.Ltd. Mumbai

Award Dated:: 29.1.2010 Award No: I.O.(HYD) L- 49-2009-10

The complaint is about repudiation of Accident Benefit claim on policy 16011494601 by SBI Life Insc.Co.Ltd.
Shri S.Sainadh, aged 23 years, obtained a policy for a risk cover of Rs.8 lakhs plus Accident Benefit of Rs.4 lakhs from SBI Life Insurance Co.Ltd. The policy commenced from 26.12.2008. The life assured died on 21.2.09 while crossing the railway track. When claimed for the monies on the policy, SBI Life Insc.Co.Ltd. Settled the basic sum assured of Rs.8 lakhs but rejected the claim of Accident Benefit**.**

The complainant stated that the life assured died accidentally as was very clear from all the documents such as the FIR and the investigation reports. The deceased did not cross the track intentionally but due to non-availability of foot over bridge in the station. There was no fault on the part of the life assured and, hence, the complainant pleaded for payment of accident benefit.

The insurer stated that the life assured died due to crossing the railway track, which is a breach of law and also a punishable offence. The accident benefit clause 4 (d) of the policy specifically excludes the benefit if one commits breach of law. Further, trespassing is a punishable offence under Sec.147 of the Railways Act. Hence, the insurer claimed that the repudiation of accident benefit was just.

From the FIR, it is seen that the incident of death occurred on 21.2.09 night, at a place between St.Mount Rly.Station and Guindy Rly.Station Km15/31-29 and the life assured was run over and killed while crossing the railway track.

A brochure of Western Railways, produced by the Insurer, states that trespassing is a punishable offence under section 147 of Indian Railways Act, with imprisonment up to 6 months or fine up to Rs.1,000 or both. The life assured ostensibly committed a breach of law by crossing the railway track and item 4 (d) of the policy document at page 11 containing Riders Terms and Conditions Accidental Death & Accidental TPD contains exclusion of the benefit if death results from any breach of law by the life assured.

The insurer has paid the sum assured. There is also no doubt that death occurred due to an accident. There is also evidence to suggest that the accident occurred in railway property. But how he happened to be crossing the railway tracks is not known. There is nothing on record to show that he had an intention to breach the law while entering railway property. The evidence to say that the insured committed breach of law, therefore, is inconclusive. Further, the breach purported to have been committed by the deceased was a criminal offence and, in law, all criminal offences abate in death. The deceased could not be charged with an offence under section 147 of the Railways Act. Consequently, the insurer’s main contention that the insured committed breach of law is suspect.

In view of the foregoing, it was held that the insured has to be allowed benefit of doubt. An amount of ex- gratia of Rs.4,00,000 is allowed to the complainant. The insurer is directed accordingly.

In the result, the complaint is allowed.

Hyderabad Ombudsman Centre
Case No: **L-21-001-569-2009-10**

Smt.S.Chandrakala
Vs.
LIC Of India, Kadapa Divn.

Award Dated:: 29.1.2010 Award No: I.O.(HYD) L-50-2009-10

The complaint is about repudiation of claim on policy 653510228 by LIC of India, Kadapa Divn.

Shri S.Madhusudan submitted a proposal dt.12.4.04 for a risk cover of Rs.5 lakhs and obtained a policy from LIC of India, which commenced from 28.4.04. He died on 16.10.2005. When claimed for the monies, LIC of India rejected the claim stating that the life assured gave false answers in proposal and he was suffering from HIV+ prior to the date of proposal.

The complainant stated that the life assured paid 2 yearly premiums on the policy, and at the time of issue of policy, he had undergone health check up and was confirmed that he was hale and healthy. She stated that her husband died of jaundice and so repudiation of the claim was incorrect.

The insurer stated that the life assured consulted Area Hospital, Madanapalle of AP State AIDS Control Society, Hyderabad on 26.3.2004 and was diagnosed as HIV+. He then submitted a proposal dt.12.4.2004 and gave false answers deliberately and obtained the policy. Hence, the claim was correctly repudiated.

From the document "Laboratory Report Form" issued by the Medical Supdt., Area Hospital, Madanapalle dt.24.11.08 of AP State AIDS Control Society, Hyderabad Voluntary and Confidential Counseling and Testing Centre, it is evident that Shri S.Madhusudan, the life assured, was found to be HIV Reactive on 26.3.04 from the sample obtained on 25.3.2004. He submitted a proposal dt.12.4.2004 for a risk cover of Rs.5 lakhs to LIC of India. He gave false answers to Q.No.11 of Personal History. He answered 'No" to the specific question 11 (j) which reads as below:

> 'Have you ever received or at present availing/undergoing Medical advice Treatment or tests in connection with Hepatitis 'B' or Aids related condition?'

The contracts of Life Insurance are contracts of "Utmost Good Faith" and both the parties to the contract shall disclose all the facts, in full. The life assured did not disclose the fact which was

known to him that he was diagnosed as HIV+ reactive in the proposal dt.12.4.2004 submitted for insurance of Rs.5 lakhs and obtained the policy. I, therefore, hold that the repudiation action taken by the Insurer, LIC of India, on policy 653510228, is fully justified.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-007-574-2009-10**

Smt. P.Parimala

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

Award Dated:: 29.1.2010 Award No: I.O.(HYD) L-51-2009-10

The complaint is about repudiation of claim on policy 388455398 by Max New York Life Insc.Co.Ltd.

Shri P.Ravi Prakash, aged 45 years, submitted a proposal dt.22.1.09 to Max New York Life Insc.Co.Ltd. and obtained a policy "Whole Life" covering a risk sum of Rs.2,53,742.90. The policy commenced from 22.1.2009 and he died on 13.2.2009 at Harini Gastro & Liver Centre, Vijayawada**.**

The complainant stated that the life assured was a healthy person and having no adverse history of health until he was diagnosed to be suffering from jaundice on 26.1.2009. She stated that repudiation of her claim was not correct.

The insurer stated that the life assured submitted proposal dt.22.1.09. He was admitted in the hospital on 26.1.2009 for Acute Viral Hepatitis with Fulminanat Hepatic Failure with Hepatic Encephalopathy with acute respiratory failure. He did not inform about this medical condition to them before the policy was issued on 30.1.2009. Had he informed, the policy would not have been issued as proposed. The proposal declaration clearly stated that if there was any change in any of the statements made in it, subsequent to the signing of the proposal and before issue of the policy, he shall inform the same to the insurer. This was not done. The insurer, therefore, claimed that repudiation was proper.

It is observed from the declaration of the proposal dt. 22.1.09 signed by the life assured that he had undertaken to notify the company immediately in writing if there was any change in any of the statements made in the proposal subsequent to the signing of the proposal and acceptance of risk and issuance of policy by the company.

In this case, the proposal was submitted on 22.1.09 and the life assured got admitted in hospital on 26.1.09 and was on continuous treatment and passed away while on treatment. The insurer was unaware of his admission in hospital and issued the policy on 31.1.2009. I observe from the certificate of the doctor who treated the life assured that he was an alcoholic and the ultra scanning of abdomen report dt.28.1.09 gave the impression that the life assured was suffering from cirrhosis of liver with gross ascites.

The contracts of life insurance are contracts of Utmost Good Faith and all facts, whether material or not, shall be disclosed by either party to the other, in full. As per the declaration signed by him, he had agreed to inform the change in his health condition to the insurer immediately. The DLA did not comply with this condition. Besides, there also was non-disclosure of addiction to alcohol by the life assured. The insurer, therefore, could not assess the risk properly. Hence, it would not be proper to make the insurer liable for payment of the sum assured.

In view of the above, it was held that the repudiation action taken by the Insurer, Max New York Life Insc.Co.Ltd., is fully justified.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-005-523-2009-10**

Md.Shaba Shariff
Vs.
HDFC Std.Life Insc.Co.Ltd.

Award Dated:: 5.2.2010 Award No: I.O.(HYD) L-53-2009-10

The complaint is about repudiation of claim on policy 11648617 Unit Linked Regular Pr. Pension policy by HDFC Std.Life Insc.Co.Ltd.

Smt. Shaba Jamani Begum Md. had submitted a proposal dt.18.2.2008 and obtained "HDFC Unit Linked Regular Premium Pension" policy for a period of 10 years with an annual premium of Rs.10,000. The Policy did not carry any Sum Assured. Only the Unitised Fund Value became payable upon the date of vesting. The premium on the policy was due on 22.2.2009 but it lapsed due to non-payment of renewal premium within the grace period of 15 days. The life assured died on 16.3.09 and when claimed for monies, the complainant was paid Rs.619.55, being the unitized fund value. But the complainant pleaded for death claim along with the Fund Value under the policy. This claim was rejected.

The complainant stated that the life assured died on 16.3.09. HDFC Officials did not explain the terms and conditions of the policy. They also did not remind for payment of instalment any time before or after lapse of the policy. They did not take into consideration the grace period of one month and bluntly rejected the claim. The complainant wanted at least the actual policy amount to be paid.

The insurer stated that the life assured submitted a proposal dt. 18.2.2008, which was a unit linked pension plan under which there is no sum assured payable. Only the unitised fund value became payable as per the terms and conditions of policy. The policy was in lapsed condition due to non-payment of renewal premium due on 22.2.09 and so, as per the terms of the policy, the unitized fund value as on the date of lapse amounting to Rs.619.55 after deduction of surrender charges was paid to the complainant. The intimation of renewal premium due is customary and is a value added service and it is not mandatory. This also is set forth in the policy document.

The grace period allowed under Clause 4 (ii) of the policy document is 15 days after the due date of premium and if any premium remained unpaid 15 days after the due date, the policy would become lapsed or paid up. As per clause 5 (ii)(c) of the policy terms, if the policy was not revived, the unitized fund value at the date of lapse less surrender charge would be payable. The claim was settled accordingly.

The policy issued to the insured was Unit Linked Pension Policy and it did not assure any sum on death of the life assured. The grace period for payment of the renewal premium is only 15 days. The annual premium was due on 22.2.09 which was to be paid within the grace period of 15 days. But it was not paid within that period and hence the policy lapsed. The life assured died on 16.3.09. As per condition 5 (ii)(c) of the policy, unitized fund value as at the date of lapse was payable after deduction of the surrender charges. This worked out to Rs.619.55 which the insurer paid.

It was held that the settlement done by the insurer is as per the terms and conditions of the policy 11648617 and is fully justified.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-006-529-2009-10**

Sri S Prakash

Vs.
Birla Sun Life Insc.Co.Ltd.

Award Dated:: 12.2.2010 Award No: I.O.(HYD) L-54-2009-10

The complaint is about repudiation of claim on policy 2360262 by Birla Sun Life Insc.Co.Ltd.

Smt. HSG Ratnamma, W/o Sri S Prakash, aged 44 years, submitted a proposal dt.26.12.2008 to Birla Sun Life Insc.Co.Ltd. And obtained a policy for a risk cover of Rs.2, 60,000 for a period of 20 years, which commenced from 28.12.2008. She died on 3.5.2009. When claimed for the monies under the policy, the insurer rejected the claim stating that the life assured was suffering from diabetes since 10 years and this material fact was concealed deliberately at the time of proposing for insurance and misled the insurer and obtained the policy.

The complainant stated that the life assured was in good health and extremely active and the policy was taken under compulsion of the agent, Jeevan Seva Infotech Pvt.Ltd. Hyderabad, when the insured went to attend their achievers meet held in Hyderabad. The intention in proposing the policy was only to ensure that she attended the meet and nothing else. He further stated that over 70% of population suffered from lifestyle diseases like diabetes and hypertension. Since she was otherwise continuing her normal day to day activities without any problem, she did not mention that she was a diabetic in the proposal form. It was more oversight than intentional. He pleaded to review the claim in the light of the above circumstances.

The insurer stated that the life assured submitted an application dated 26.12.2008 under "Saral Jeevan" with annual premium of Rs.24,764. Further, in the said application, in reply to Q.No. VII (D)(c) pertaining to Medical and Personal History of the life to be insured, she gave Insurability Declaration which stated that she had never been treated for symptoms of high blood pressure, diabetes, heart attack or heart disease, stroke, chest pain, etc.

Based on the information given, the policy was issued to her. In the investigation carried out by the insurer, it came to light that the life assured was suffering from diabetes for the past 10 years, which meant that while applying for insurance, she was suffering from the disease but she did not disclose these crucial facts in the application. The life assured had deliberately suppressed material facts and misled the insurer by providing wrong and false information, to obtain the policy. The insurer could not correctly assess the risk to be undertaken in respect of the life assured. Hence, the claim was repudiated by the insurer. In the letter dt.10.8.2009 addressed to the insurer for reconsideration of the rejection, the complainant admitted the fact the life assured was suffering from diabetes and hypertension for the past few years. This also clearly established that the life assured was fully aware of existence of Diabetes and Hypertension and she had concealed the same intentionally. Hence, the insurer justified repudiation of the claim.

From the discharge summary of Kasturba Hospital, Manipal dt. 27.4.09, it is seen that the life assured was admitted in the hospital on 5.4.2009 and was discharged on 27.4.09. The past history showed that she was a known case of type II Diabetes Mellitus and Hypertension since 10 years. The final diagnosis stated that she was also Type 2 DM/DCM, Renal Failure,

Mild MOD NPDR, and Diabetic Foot. It is, therefore, established by the insurer that the life assured did not disclose the material facts to the insurer in her application dt.26.12.08 when applying for insurance.

The contract of Insurance is one of Utmost Good Faith and both parties to the contract shall disclose all facts, whether material or not, in full, to the other. Since the life assured did not disclose the facts about Diabetes and Hypertension to the insurer, the latter cannot be made liable to pay the sum assured. It was considered that the repudiation action taken by the insurer on policy 2360262 is fully justified. However, the insurer is directed to refund the saving component, viz. Fund Value, as on the date of reporting the death of the insured, to the complainant.

In the result, the complaint is allowed in part.

Hyderabad Ombudsman Centre
Case No: **L-21-006-539-2009-10**

Smt.C Karibasamma

Vs.
LIC Of India, Bangalore II Divn.

Award Dated:: 12.2.2010 Award No: I.O.(HYD) L-55-2009-10

The complaint is about repudiation of claim on policy 363335132 by LIC of India, Bangalore II Divnl.Office

Shri B.N. Shivakumar, aged 36 years, obtained a policy from LIC Of India, which commenced from 12.7.2005, with half yearly premium of Rs.1,730 and the same had lapsed due to non-payment of premium due on 12.1.2007. He submitted personal statement of good health and paid arrears of premia from January 2007 to January 2008 (3 Hly) with interest, amounting to Rs.5, 544 and had the policy revived on 20.5.08. He died on 15.11.2008 due to advanced carcinoma hard palate.

The complainant stated that the life assured expired on 15.11.08 and the policy risk was covered under the policy but the insurer did not settle the claim. The repudiation is against the policy terms and conditions as also the principles of natural justice. The complainant requested that the claim be allowed on the ground of mercy as she is poor and has to look after her children.

The insurer stated that the life assured submitted a personal statement of health dt.20.5.08 for revival of the policy which was in lapsed condition without any value. He suppressed the material facts about the health condition and gave false answers to Q.No.2 a,b,c and to Q.No.4 of the PSH. But the life assured was suffering from Throat Cancer and he also was under treatment for the same. The histopathology report of VS Dental College, Bangalore dt.13.8.07 clearly stated that he was diagnostic of Adenoid cystic carcinoma. The outpatient card of KIMS Hospital & Research Centre, Bangalore also states that the life assured was diagnosed as adenoid cystic carcinoma of hard palate and they proposed to undergo Maxillectomy.

Further, the Whole body PET CT Scan taken on 15.5.08 clearly states that the life assured was a known case of adenoid cystic carcinoma left maxilla, post partial maxillectomy, with recurrence. Concealing the material facts, he deliberately submitted the PSH dt.20.5.2008 and got the policy revived and, hence, the claim on the policy was rightly rejected by them.

The histopathology report of the VS Dental College dt.13.8.07 confirmed the carcinoma hard palate. In the Claim Form B, the Medical Officer of Karunashraya Hospital had also stated that the carcinoma hard palate was confirmed by biopsy on 13.8.2007. At the time of taking the policy, there was no evidence that he was suffering from Cancer. Due to discontinuance of payment of premiums, the policy got lapsed and the policy was revived on 20.5.08 by the life assured. He had known by then that he was afflicted with cancer. Hence, repudiation action taken by the insurer on the policy 363335132 is fully justified.

Even though I have held that repudiation is technically valid, I am inclined to believe that some agent must have induced the insured to revive the policy. Otherwise he would not have paid Rs.5, 500, which was quite huge for an illiterate private security guard, for revival of the lapsed policy. This payment did not help the insured's widow as the claim stands repudiated. In the context of the fact that the insured was in a pitiable condition at the time of revival of the policy and, after expiry, left his widow in penury, it was deemed fit to direct the insurer to pay the complainant *ex gratia* of Rs.5,500.

In the result, the complaint is allowed in part as *ex gratia.*

Hyderabad Ombudsman Centre
Case No: **L-21-002-628-2009-10**

Shri Salana Raghava Rao

Vs.
SBI Life Insc.Co.Ltd.

Award Dated:: 23.2.2010 Award No: I.O.(HYD) L-56-2009-10

The complaint is about repudiation of death claim on policies 19004043404 & 25005958502 By SBI Life Insc.Co.Ltd.

Shri Salana Appalaswamy obtained a policy under Unit Plus Regular Plan for a basic sum of Rs.5 lakhs and the policy is for a term of 5 years and the premium payable annually is Rs.1 lakh. The life assured died on 18.12.07 and when claimed for policy monies, the insurer repudiated the claim on the ground that the life assured fraudulently submitted fake age proof of School Certificate, concealing his actual age.

The complainant stated that the life assured took two policies: (i) policy no: 1904043404 which commenced from 9.5.06 and (ii) policy no: 25005958502 for Rs.1 lakh which commenced from 31.3.07. The insured died on 18.12.07. The life assured was an illiterate person and they were not aware of the age proof submitted, viz. Transfer Certificate at the time of proposal. The complainant admitted that the life assured's age was 77 years at the time of the proposal and pleaded for viewing the matter sympathetically. He further stated that under the policy No: 25005958502, they received the fund value of Rs.96, 964 but under the Policy No: 1904043404, the insurer forfeited the money, besides repudiating the claim on the policy.

The insurer stated that the life assured gave his date of birth as 10.1.1948 in the proposals dt.29.3.06 & 31.3.07 while obtaining the above two policies and also produced a school certificate (Transfer Certificate) as proof of age. The policies were issued on the basis of the information furnished and the policies resulted into death claim. During their investigation, it came to light that the life assured was 77 years of old and at the time of death he was 79 years old. The life assured fraudulently understated his actual age and obtained insurance cover and by concealing his actual age, he misled the insurer and committed breach of utmost good faith. Hence, the claim is repudiated on policy no.1904043404. However, they settled the fund value on another policy no.25005958502.

The complainant admitted that the life assured's age was 77 years at the time of proposal and the age at the time of death was 79 years. As per the policy conditions, under both policies, the maximum age at entry is 65 years and since the life assured had crossed the maximum age, he was disentitled to obtain the policies.

It is observed that the Transfer certificate stated to have been produced by the life assured states that the life assured studied in the school up to X class. The proposal, however, does not contain any signature. It has a thumb impression. No literate person would affix his thumb impression where a signature was called for. Only an illiterate person would affix the thumb impression. The proposal containing thumb impression lends credence to the allegation that DLA did not produce the Transfer Certificate in support of his age and that someone else had supplied it. It is astounding that the insurer accepted a proposal with a thumb impression while the proposal was supported by a TC stating that DLA was a student of class X.

Although it is evident that someone misled the DLA while issuing the policy, the condition of Schedule II – 1 Age (a) of both Policies, which reads as under, militates against the DLA:

"The admitted Age of the Life assured is the age derived from the Date of Birth declared on the proposal. In the event the Admitted Age is found to be incorrect at any time, the correct age being such that it would have rendered the life assured ineligible for any of the benefits under this policy, this policy shall stand cancelled from inception, and the lower of:

i) the premiums paid (net of expenses incurred by the company) and
ii) The Fund Value (net of expenses incurred by the Company) will be refunded to the Policyholder without interest.

Under the second policy no: 25005958502 Unit Plus II Single, the insurer settled the fund value of Rs.96, 964 but under the policy no: 1904043404, the insurer not only rejected the sum assured but also the fund value. This has no justification.

The complainant is entitled to the fund value or the premiums paid (net of expenses incurred by the company) under the policy 1904043404. The insurer informed that the fund value on policy 1904043404 was Rs.79, 722 as at 25.3.08, i.e. the date of receipt of intimation of death by the insurer.

The Insurer is directed to settle the fund value of Rs.79, 722 together with interest, as per the IRDA rules, from 25.3.08 till the date of payment. In the result, the complaint is partly allowed.

Hyderabad Ombudsman Centre
Case No: **L-21-001-630-2009-10**

Shri C Shiva Sankar
Vs.
LIC Of India, Kadapa Divnl.Office

Award Dated:: 24.2.2010 Award No: I.O.(HYD) L-57-2009-10

The complaint is about repudiation of death claim on policies 653200069 by LIC of India, Kadapa Divnl.Office.

Smt. S. Venkata Subbamma, aged 50 years, a worker in Eagle Distilleries, obtained a policy from LIC of India for a risk cover of Rs.50, 000, which commenced from 28.12.2003. She discontinued the payment of premiums after paying 2 Hly. Premia and got the policy revived under 'Special Revival Scheme' on 13.2.08 by payment of 7 Hly. Premia and also submitting a personal statement of health. She died on 28.10.08. When claimed for the policy monies, the insurer rejected the claim on the ground that the life assured withheld material information about her health at the time of revival and she was a diabetic since 1 ½ years prior to revival.

The complainant stated that the life assured was illiterate and she was not aware of any disease. He stated that the life assured was working in Eagle Distilleries normally, carrying the loads and due to infection, the left lower limb of the life assured was amputated.

The insurer stated that the life assured was treated for Diabetes and she had been suffering from this disease since 1 ½ years as stated by RIMS, Kadapa, in Claim Form B and also that Dr.Siva Reddy had treated her from 9.8.07 to 17.8.07 for diabetes which was prior to the date of revival, i.e. 12.2.08. Hence, they nullified the revival and forfeited the monies and rejected the claim.

The complainant stated that the life assured was an illiterate person working as a worker, carrying loads in Eagle Distilleries Company. When the policy was lapsed, she got it revived by paying the arrears of premia. She was actively attending to the duties and only when she got infection to the finger of the foot, they consulted the hospital, when the amputation of her left lower limb was done. He further stated that they were not aware of the disease of diabetes. He himself obtained the certificate from Dr.Siva Reddy and the affidavit, as he was asked to submit it.

The life assured was illiterate and revived the policy on 12.2.08 by payment of arrears of premia. Thus the insurer collected premium for 5 years till the date of death of the life assured.

The Claim Forms B and B1 state that the life assured was suffering from diabetes for 1 ½ years, which means that she was suffering from the disease prior to the date of revival. Dr.Siva Reddy's certificate and affidavit also stated that he treated her for Diabetes prior to the date of revival.

It is surprising that the insurer asked the complainant to obtain the certificate and the affidavit from Dr.Siva Reddy. It is evident that the complainant must have promised the complainant settlement of the claim. Thus induced by the insurer, the complainant obtained the certificate as also an affidavit from the doctor. Much credence to the certificate and affidavit of the doctor can be attached. Nevertheless, there is evidence to show that the insured was a diabetic and probably diabetes complication led to her demise.

In view of the above, the repudiation action taken by the insurer is technically justified. She was obviously naïve. She was illiterate and surely someone prompted her to revive the policy paying the arrears. That the complainant also is naïve is evident from the fact that he obtained self incriminating evidence from the doctor. It is apparent that the insured or her son has had no intention to defraud the insurer. That being so and considering the totality of the circumstances of the case, it is deemed fit to grant *ex gratia* of Rs.15, 000 to the complainant.

In the result, the complaint is partly allowed as *ex gratia*.

Smt. B Padmavathi
Vs.
HDFC Standard Life Insc.Co.Ltd.

Award Dated:: 12.3.2010 Award No: I.O.(HYD) L-58-2009-10

The complaint is about repudiation of death claim on policy 11045299 by HDFC Standard Life Insc.Co.Ltd.

Shri B Ramesh Babu, aged 45 years, submitted a proposal dt.21.4.07 to HDFC Standard Life Insurance Co. for risk coverage of Rs.5 lakhs and obtained a Unit Linked Young Star Plus Plan policy bearing no:11045299. The life assured died on 7.8.2007. When the nominee under the policy claimed for moneys under the policy, the insurer rejected the claim on the plea that the life assured suppressed material information relating to his health in the proposal. Smt. B Padmavathi, the nominee, is aggrieved and hence this complaint.

The complainant stated that the life assured obtained the policy at Gurgaon and unfortunately expired on 7.8.07. They received the policy bond in September 2008 and when they claimed for monies, the insurer rejected the claim.

The insurer stated that the life assured submitted a proposal dt.21.4.07 for obtaining a policy for a sum assured of 5 lakhs on death and obtained the policy. Further, he had also submitted two more proposals dt.9.5.07 and 21.4.07 for which the cheque submitted bounced. On receiving the death intimation by the complainant, the insurer caused investigations and they revealed that prior to the date of proposal seeking for insurance, the life assured had consulted Escorts Heart Institute and Res. Centre Ltd. on 16.3.07 at New Delhi and was diagnosed as HTN, COPD (Hypertension & Chronic Obstructive Pulmonary disease). The insured suppressed these material facts while submitting the proposal for insurance and obtained the policy from the insurer. Since there was a breach of Utmost Good Faith, the insurer repudiated the claim on the policy.

The complainant stated that the life assured had not taken any treatment excepting in Global Hospitals, Hyderabad and NIMS, Hyderabad only after the date of the commencement of policy.

The insurer's representative stated that the life assured submitted his proposal dt.21.4.2007 wherein he did not disclose about the consultation and diagnosis of HTN and COPD which was done at Escorts Heart Institute, New Delhi on 16.3.07. Suppressing the material fact, he obtained the policy from them and his two other proposals were cancelled due to bouncing of the cheques he tendered against them. Hence, the insurer's representative justified repudiation of the claim on the policy.

It is noticed that the life assured was treated in Global Hospital, Hyderabad. The report of the hospital mentioned that the life assured was a known case of HOCM-Obstructive type, COPD on bronchodilators, Hypothyrodism. It also mentioned that the life assured was recently evaluated at Escort Hospital, New Delhi. He was also diagnosed as HIV positive on 30.7.2007 by Global Hospital.

It also is seen that the life assured was admitted on 4.8.07 in NIMS Hospital and, as per their discharge record (IP No.718586), the life assured was mentioned as a known case of HOCM-Hypothyroidism and also found to have RVD Reactive at Global. HIV Reactive is confirmed.

From the ECG done on 16.3.07 (Regn.No.00304414) at Escorts Heart Institute and Res. Centre Ltd., New Delhi, the life assured was diagnosed as HTN, COPD.

It is, therefore, evident that prior to the date of proposal viz. 21.4.07, the life assured was diagnosed as HTN, COPD, which facts were not disclosed by him in the proposal and obtained the policy from the insurer.

The contracts of life insurance are contracts of Utmost Good Faith and all facts, whether material or not, shall be disclosed by either party to the other, in full. The life assured obtained the policy suppressing material facts and thereby violated the principle of utmost good faith. Following this, it was held that the insurer correctly repudiated the claim.

In the result, the complaint is dismissed.

Hyderabad Ombudsman Centre
Case No: **L-21-001-646-2009-10**

Smt. P Satyavani

Vs.
LIC Of India, Warangal Divn.Office

Award Dated:: 12.3.2010 Award No: I.O.(HYD) L-59-2009-10

The complaint is about repudiation of death claim on policy 687542188 by LIC of India, Wanrangal Divnl.Office.

Shri P Subba Reddy submitted a proposal dt.31.3.2006 for a risk cover of Rs.1, 00,000 to LIC of India and obtained a policy bearing no: 687542188. The policy commenced from 31.3.2006. The insured died on 15.6.2007. When claimed for the monies on the policy, LIC of India rejected the claim on the plea that the life assured suppressed material fact that he was suffering from diabetes and took treatment for the same and also that his age was understated by 10 years.

The complainant stated that the life assured died suddenly on 8.5.08 and he was not having diabetes as informed by the insurer. Even if he had diabetes, it is not such a dreadful

disease that it would lead to death. The insured died due to heart attack only but not due to diabetes. Her appeal for reconsideration of claim was turned by their Zonal Office.

The insurer stated that the life assured died early and so they caused investigations which revealed that the life assured was suffering from diabetes and took treatment from Dr.P Shanti, Diabetoligist, for 2 years prior to commencement of policy. Proof of treatment was obtained and Dr.P Shanti confirmed that she treated the life assured from 21.1.2004 to 8.9.2006 for diabetes. Further, the age mentioned in the prescription card by the doctor was 60 years in 2004. Thus, this was a case of understatement of age by 10 years. Since there is clear suppression of material facts, the claim was repudiated by the insurer. Their claims review committee also upheld their repudiation action.

The complainant did not turn up. The case was heard ex parte.

The insurer's representative stated that the life assured submitted his proposal dt.31.3.2006 for insurance wherein he answered to Q.No.11 a,b,d,e as "No" but these answers were false, as they have proof that he consulted the medical practitioner for treatment of diabetes. Evidence was also obtained to show that he was suffering from diabetes and was under treatment prior to the date of proposal. Since there was suppression of material facts, the claim was repudiated.

It is noticed that the life assured submitted a proposal dt.31.3.06 and gave answers to the questions of Personal History Q.No.11 (a),(b),(e) and (i) as below:

Q.No.11 a) During the last five years did you consult a medical practitioner for any ailment requiring treatment for more than a week? --- No

b) Have you ever been admitted to any hospital or nursing home or general check up, observation, treatment or operation ? --- No

e) Are you suffering from or have you ever suffered from diabetes, Tuberculosis, High blood pressure, Low blood pressure, cancer, epilepsy, hernia, hydrocele, leprosy, AIDS or any other disease? --- No

i) What has been your usual state of health? --- Good

It is observed from the Treatment Card of Dr.P Shanti, Diabetologist, Vijayawada that the life assured was diagnosed as Type II DM on 24.1.04 and also the age mentioned in it was 60 years.

Further, from Form No.5152 given by Dr.P Shanthi, MBBS it is evident that the first consultation for Diabetes Mellitus was on 21.1.04 and that she treated the life assured from 21.1.04 to 8.9.06 for diabetes.

There is overwhelming evidence to show that the life assured obtained the policy without disclosing the illness/treatment that he had been taking and that he gave false answers in the proposal as shown above. The contracts of life insurance are contracts of Utmost Good Faith and all facts, whether material or not, shall be disclosed by either party to the other, in full. The life assured obtained the policy suppressing material facts and thereby violated the principle of utmost good faith. Following this, the insurer correctly repudiated the claim.

In the result, the complaint is dismissed.

KOLKATA

OFFICE OF THE INSURANCE OMBUDSMAN, KOLKATA

AWARD DATED : 16th February, 2010 DEATH CLAIM

Complaint No. : 392/21/012/L/08/09-10.

FACTS & SUBMISSIONS :

The lodging of repudiation of death claim has been challenged in this case under Rules 12 (1) (b) of RPG Rules, 1998.

The complainant is the brother of Late Aparna Dey (here-in-after be referred to as deceased life assured) who had taken a policy bearing no. 1200800655852 from MetLife India Insurance Co. Ltd., (here-in-after be referred to as insurer) for sum assured for Rs.4,00,010/-(Rupees Four Lakhs Ten) for 41 years. The first premium of Rs.40, 001/- was paid. The deceased life assured (DLA) died on 24/01/2009. The complainant being nominee lodged the claim. As it was an early claim investigation was made. It was disclosed that DLA had heart problem before submission of proposal which she did not disclose. So the insurer did not pay the death-claim on the ground of

suppression of material facts but paid Rs.25, 074/- being the return on the invested portion of the premium paid. Being dis-satisfied with the decision of the insurer the complainant has approached this forum.

The case was heard on 16.02.2010. The complainant was present himself. The insurer has been represented by Mr. Subhadip Nag, their officer.

The insurer has filed the Self Contained Note (SCN). The ground taken in the SCN has been reiterated. According to the insurer the DLA was under treatment under Dr. R. Bhatacharjee for her heart problem since 24-04-2008. But this fact was not disclosed. This amounts to suppression of material facts which is a valid ground for refusing to pay the death-claim.

On the other hand, it is submitted on behalf of the complainant that the DLA was medically examined by the doctors of the insurer and being satisfied the insurer issued the policy. So now the insurer cannot come with a case that there was suppression of material facts.

The fact of treatment of the DLA by Dr. R. Bhattacharjee on 24.04.2008 has not been disputed by the complainant. The date of proposal is dated 08-08-2008. Admittedly this fact has not been disclosed by the DLA while answered the question no. 1 and 13 of the proposal form under Medical Details. The duration of treatment is very less. The Sum Assured is for Four Lakhs. No convincing materials have been placed the circumstances under which the fact of treatment was not disclosed when there was a specific question in the proposal form.

It is true that the DLA was subject to medical test by the doctors of the insurer. Unless a person discloses his/her suffering there is no scope how the doctor to direct specific test in that line only a formal Medical Test was conducted. If the DLA would have disclosed about her treatment by Dr. R. Bhattacharjee some other test might have been made. The complainant cannot take the advantage of the above fact to cover up the omission/suppression made by the DLA.

The insurance contract is based on good faith. The detailed particulars of the proposer is only known to the proposer. The insurer has no access to it. So it is the duty of the proposer to

disclose everything, even some seem to be unimportant, while filling the proposal form. If the good faith and honesty which are essentially required for insurance contact are not observed by one party; the other party is free to challenge the contract.

Some peculiar features are found in this case. The date of proposal is dated 08.08.2008. The DLA died on 24-01-2009. The Sum Assured is Rs.4, 00,010=00. The treatment of the DLA had taken place on 24-04-2008. Moreover the cause of death has got nexus with the disease for which the DLA was under the treatment of Dr. R. Bhatachrjee. All the above factors created a ring of doubts as regards the policy and claim are concerned. From the above circumstances, it is accepted that there was material suppression of facts by the DLA at the time of proposal. So it cannot be said that the act of the insurer is unjust or arbitrary.

However, considering the nature of the case and the status of the complaint, I am of the opinion that this forum can invoke it's jurisdiction for ex-gratia payment in the interest of justice.

As per our above findings, the insurer is directed to pay a sum of Rs.40,001=00 (The premium paid by the DLA) within one month from the date of receipt of consent letter from the complainant or the balance amount after deducting Rs.25,074=00 already paid and received by the complainant. In case they failed to pay as directed above the complainant would be entitled to get interest @ 18% p.a. from the date of order till date of payment.

OFFICE OF THE INSURANCE OMBUDSMAN, KOLKATA

AWARD DATED : 18th February, 2010 DEATH CLAIM

Complaint No. : 304/21/006/L/07/09-10

FACTS & SUBMISSIONS

This case has been registered under Rules 12 (1) (b) of RPG Rules, 1998.

The complainant is the daughter of deceased Sashikala Rai, (here-in-after is referred to as Deceased Life Assured). During her life time she took a policy bearing no. 001958739 from Birla Sun Life Insurance Co. Ltd., (here-in-after be referred to as insurer) for sum assured for Rs.2,50,000=00 commencing from 07-10-2008. The DLA died on 01-11-2008 due to heart attack. The complainant being the nominee lodged the death claim. The insurer has repudiated the claim on the ground of suppression of material facts regarding health condition of the DLA. Hence this case.

The case was taken up for hearing on 16-02-2010 in presence of the complainant herself and representative of the insurer.

Self Contained Note (SCN) has been filed on behalf of the insurer. The stand taken by the insurer in SCN has been reiterated at the time of hearing. According to the insurer the DLA was suffering from Asthma since past 18 months; which was not disclosed at the time of filling up the proposal form (Para 5 of the SCN). So, there was suppression of material facts which is a valid ground to repudiate the claim.

On the other hand, it is submitted that her mother (DLA) was never suffering from Asthma and the insurer has managed to prepare… the papers to avoid the payment of the claim.

The claim can be repudiated on the ground of suppression of material facts. In that case the burden lies on the insurer to establish it by placing dependable and trust worthy materials. If the burden is not discharged; the repudiation is illegal.

The insurer has relied upon a statement stated to have been made by one Arpan Rai who is stated to be a relative of the complainant, certificate issued by one M.K. Rai RMP of Church Road and on Medical Examination Report. All the documents referred to above are copies and the originals have not been produced by the insurer; when this forum asked for it for verification. The first document was the copy of the letter written to the insurer by one Arpan Rai. It cannot be said that it is statement given by Arpan Rai. It appears that somebody has written it and

signature of Arapan Rai appears on it. If Arpan Rai can sign in English; the same person could have written; but that has not been done.

In the eye of law it cannot accepted as statement made by a person before any Authority of the insurer or investigator. The other documents stated to have been a certificate issued by one M.K. Rai. This certificate has been issued on a plain paper but not on the pad of the doctor. Moreover, the certificate does not bear the date of issue. Both the documents are not from doubts. So when there are doubts the benefit goes in favour of the complainant.

The other aspect of the case is the cause of death has got no direct nexus with Asthma.

Considering all the aspects of the case I am of the opinion that the insurer has failed to discharge his onus.

As per the above findings, the complaint is allowed. The insurer is directed to pay the Sum Assured i.e., Rs.2,50,000=00 (Two Lacs Fifty Thousand only) within one month from the date of receipt of consent letter from the complainant failing which the insurer would be liable to pay interest @ 18% p.a. from the date of order till date of payment.

OFFICE OF THE INSURANCE OMBUDSMAN, KOLKATA

AWARD DATED : 15th February, 2010 **DEATH CLAIM**

Complaint No. : 370/21/001/L/08/09-10.

FACTS AND SUBMISSIONS:

This is a petition filed against repudiation of death claim and the same was admitted under Clause 12 (1) (b) of RPG Rules, 1998.

COMPLAINANT:

The complainant is the wife of deceased Chandreswar Mandal who had taken policy bearing no. 416724118 from LIC of India (hereinafter we have to refer to as insurer). The deceased died on 01/10/2006. The complainant, being the nominee lodged the claim.

INSURER:

The insurer has repudiated the claim on the ground of suppression of material facts relating to the health of the Life Assured (LA). Hence this case.

HEARING:

Both the parties have been heard on 15/02/2010. The stand of the insured is that the deceased Chandreswar Mandal was suffering from Asthma since 10 years before taking the policy. He died due to exacerbation of COPD renal failure which has got direct nexus with the pre-existing disease i.e., Asthma. But the deceased did not disclose this fact at the time of submitting the proposal form. If such declaration had been made, the insurer could have taken some additional requirements for making medical examination etc., before underwriting the policy. So, according to the insurer, this amounts to suppression of material facts which is a valid ground for repudiation of the claim.

On the other hand, it was submitted on behalf of the complainant that the deceased was never treated for Asthma. Moreover, even it is accepted for the argument sake that the deceased had not disclosed about his suffering from Asthma it was not a deliberate suppression but accidental omission without any evil motive.

The repudiation of the claim can be made on the ground of suppression of material facts. In that case, the onus lies on the insurer to establish this fact on production of reliable materials. If the insurer fails to discharge the onus then the decision of repudiation is treated as untenable.

Admittedly, the deceased policyholder did not disclose that he was suffering from Asthma prior to submission of the proposal form for a policy. The question about personal history put to him in the proposal from had been answered in negative about some specific ailments and stating that his health condition was good. There is no specific question in the proposal form regarding suffering of Asthma. The question no. 12 (d) of the proposal from provides whether the proposer is suffering from any ailments pertaining to lungs. The insurer relied upon the certificate of hospital treatment wherein it had been observed that the deceased was a known case of Asthma for 10 years. It is not known actually who had made such disclosure before the treating physician. Rather in column 5 of this certificate it is noted that the history was not reported by the patient but history was given by the attendants of the patient. No documentary materials or papers have been produced on behalf of the insurer to convince this forum that the deceased policyholder was ever treated for the Asthma. Except the above certificate of hospital treatment no other papers are available to support the stand of the insurer. No doubt, the insurer produced some documents to prove that the deceased policyholder had taken leave frequently for his treatment which was also not disclosed.

DECISION:

I have perused those documents. In some cases the leave has been taken for suffering of fever, in some cases for personal ground. It is a common practice that a government servant takes leave only on the ground of illness to avail the leave. So non-disclosure of the leave taken by the deceased policyholder cannot make the contract of insurance ‘void’ on the ground that he had

deliberate intention to mislead the insurer for issuance of the policy. It can only be considered as 'voidable'.

The Sum Assured (SA) is only Rs.1, 00,000/- . Considering the SA and status of the policyholder, I am of the opinion that the non-disclosure of suffering the deceased policyholder from Asthma would not amount to be a deliberate one to induce the insurer to issue a policy in his favour. It can be stated that it was an accidental omission without any deliberate evil intention.

As per my above findings, I am of the opinion that the decision of the repudiation of the claim is not proper.

Hence the complaint is allowed. The insurer is directed to pay the sum assured with any consequential benefit, if any, to the complainant within 1 month from the date of receipt of the consent letter from the complainant failing which the insurer would be liable to pay interest as per norms from the date of submission of claim till date of payment.

MUMBAI (CLUBBED FILE)

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 294 (2009-2010)

Award No. IO/MUM/A/ 269 /2009-2010

Complainant : Smt. Shevanti Shantaram Sakpal

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

Award dated 24.11.2009.

Shri Shantaram Chandru Sakpal had taken a Life Insurance Policy from Bajaj Allianz Life Insurance Company Ltd. Shri Shantaram Chandru Sakpal expired on 15.12.2008 due to Hypertension with Diabetes Mellitus with Ischemic Heart Disease with Chronic Renal Failure. The claim was preferred by his wife. The Insurance Company Ltd. repudiated the claim on account of the deceased having withheld material information regarding his health at the time of effecting the assurance. The basis for such decision was that on investigation, the various

medical certificates confirm that the deceased life assured was hospitalized and treated during April 2008 and had history of diabetes mellitus, high blood pressure and ischemic heart disease. He was also diagnosed of cholelithiasis and small sized right kidney and was under treatment for the same. These facts were known to the deceased life assured and were not disclosed in the proposal form dated 06.08.2008.

As per the Medical Attendant's Certificate dated 09.02.2009, signed by Dr. Arvind A. Kulkarni of Paramount Medical Services Pvt. Ltd., Panvel, states that the life assured expired on 15.12.2008 at Hospital (Paramount). The primary cause of death was Cardio Respiratory Arrest due to Cerebro Vascular Disease. The Secondary cause of death was due to Hypertension with Diabetes Mellitus with Ischemic Heart Disease with Chronic Renal Failure. The Company has produced case papers of Paramount Medical Services Pvt. Ltd. where it is mentioned that Shri Shantaram C. Sakpal was admitted on 02.04.2008 and discharged on 07.04.2008. He was diagnosed at DM with HT with CRF with Cholelithiasis. In the case papers of the said hospital it has been mentioned that he was admitted IHD in Sion Hospital in 2001. He was also admitted in the same hospital for HT and DM on 25.02.2007.

The Insurer repudiated the claim for the full sum assured on the grounds that the DLA had not disclosed that he was admitted in 2001 for IHD in Sion Hospital and for HT and DM on 25.02.2007. He had also not disclosed his hospitalization in Paramount Hospital during 02.04.2008 to 07.04.2008.

In view of the non disclosure of material facts and on the ground of making mis-statements and withholding material information regarding health of life assured at the time of proposal, the decision of the Insurer to repudiate the claim for the full sum assured is tenable. However, as the policy was a ULIP policy, the Company was asked to find out the Fund Value under the policy. We have received a letter dated 20th November, 2009 from Bajaj Allianz Life Insurance Company Ltd. informing this Forum that they give their consent for releasing the Fund Value of Rs.34,317/- under the policy.

MUMBAI OMBUDSMAN CENTRE
COMPLAINT NO. LI - 724 of 2008-2009
Award No. IO/MUM/A/ 269 /2009-2010
Complainant : Smt. Savita David Gaikwad
V/S
Respondent : Bajaj Allianz Life Insurance Co. Ltd.

AWARD DATED 26.11.2009

Smt. Savita David Gaikwad, an Insurance Consultant for Bajaj Allianz Life Insurance Company Ltd., had taken a Health Care First life insurance policy The Policy Term was for 3 years with an annual premium was Rs.2,367/-. The Sum Assured under the policy was for Rs.1.00 lac. Smt. Savita Gaikwad was admitted to Lok Hospital from 24.09.2008 to 25.09.2008 due to pain in the epigastria region with loose motions and nausea. The diagnosis stated in the discharge summary was given as "Enteritis". She submitted a claim on 27.09.2008 to the Company for an amount of Rs.7,353 towards hospitalization expenses and Rs.1,760/- towards Pre-hospitalization expenses amounting to a total claim of Rs.9,113/-. However, Bajaj Allianz Life Insurance Company Ltd. repudiated her claim giving the reason "The member was admitted for Enteritis but stool report is not available. On scrutinizing the indoor case it is evident that the member is known case of vitamin B12 deficiency. Chronic diarrhea is definite cause of vitamin B12 deficiency in that case considering 10 months of policy duration, our panel doctor is of the opinion claim is not admissible and not payable".

As per the Discharge Summar of Lok Hospital, Smt. Savita Gaikwad was admitted on 24.09.2008 to 25.09.2008 with a history of pain in the epigastric region, loose motions, nausea. The Diagnosis was given as "Enteritis". The Doctor's notes of the hospital mentions " 37 yr / F – c/o pain abdomen since a week – L.M. and foul smell – mucus (+) – Headache – Nausea – No c/o of vomiting / urine – k/c/o Vit B12/ deficiency, anemia – h/o gastritis. A CT scan of abdomen was recommended. The Opinion given in the Report of the CT scan dated 25.09.2008 states "Small umbilical hernia is seen. No other diagnostically significant abnormality seen in CT scan of abdomen and pelvis. Liver, spleen, pancreas, both adrenals and kidneys are free of any space occupying lesions. There is no free fluid in the abdomen, abdominal or retroperitoneal adenopathy. No evidence of any bowel mass or thickening is appreciated.

The Insurer has relied on the case papers of the hospital records, viz. The Doctor's notes where it is mentioned - k/c/o Vitamin B12 deficiency. In this case, the reason for repudiation of claim by the Insurer is the pre-existing disease of Vitamin B12 deficiency which the insurer states that the insured had not disclosed in the proposal for insurance. The Insurer states that chronic diarrhea, alabsorption syndrome is a definite cause of Vit B12 deficiency and considering 10 months duration of policy, they have concluded that diarrhea / malabsorption causing Vit B12 deficiency cannot occur within this brief period. It is not proper to conclude that the patient was suffering from Vit. B12 deficiency prior to the inception of the policy. The conclusion made by the Insurer in their repudiation letter is purely based on the noting & history noted by the Doctor in the case papers of the hospital. Except for this noting in one hospital, the Insurer has also not proved with any cogent evidence that the LA was suffering from suffering from Vit. B12 deficiency prior to proposal of assurance by way of any other medical reports, pathology reports, consultation of family doctor, prescription of any doctor or medical bills. The onset of the disease or the duration of the disease from when she was suffering of Vit B12 deficiency is not mentioned. In fact in the Doctor's note, it is clearly mentioned that c/o pain in abdomen since a week and not prior to the proposal date. Another fact should be taken into consideration is that any abdomen pain suffered by anyone, the patient will not wait for 10 months to get it examined by a Doctor and start treatment. Under the circumstance, the benefit of doubt goes in favor of the Insured.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI-321 of 2009-2010
Award No.IO/MUM/A/ 275 /2009-2010
Complainant : Jagdish Hariram Mutreja
V/s.
Respondent : Max New York Life Insurance Company Ltd.

AWARD DATED 7.12.2009

Smt. Pooja Jagdish Mutreja had taken a whole life participating insurance Policy from Max New York Life Insurance Company Ltd. The SA was Rs.1.00 lac with annual premium of Rs.2, 173. The date of commencement was from 23.8.01

Smt. Pooja Jagdish Mutreja expired on 20.03.2009 due to Cardiac Failure. Shri Jagdish H Hariram Mutreja, Husband and nominee under the policy preferred a claim on 11.05.2009 to the Insurer. The Insurer, repudiated the claim vide their letter dated 23.05.2009 on the grounds that the deceased life assured had withheld material information regarding her health at the time of effecting the assurance and as per the medical records it has been confirmed that late Smt. Pooja Jagdish Mutreja was a known case of Aortic Stenosis since 18 years and underwent valvoplasty for same which is prior to signing the Declaration in the proposal form dated 22.08.2001 for insurance.

The documents submitted have been perused. The dispute between the Insurer and the complainant is the repudiation of claim by the Insurance Company for non-disclosure of material facts regarding the health of the insured. As per the Death Summary, she was admitted to Ruby Hall Clinic on 28.02.2009 with complaints of vomiting, giddiness and fever on & off – 1 year. The clinical diagnosis arrived at was "Aortic Root Abscess". She expired on 20.03.2009. As per the Physical examination sheet of Ruby Hall Clinic dt. 28.02.2009 and the statement of the attending physician completed by Dr. R.B. Gulati of the said clinic, states that Smt. Pooja was a known case of Aortic Stenosis and had also undergone Aortic Valvoplasty 18 years back. The Insurer has repudiated the claim solely on the basis of the diagnosis and history mentioned in the physical examination sheet and the death summary of Ruby Hall Clinic Hospital that the deceased life assured was known case of Aortic Stenosis and had also undergone Aortic Valvoplasty 18 years back.

The policy has been questioned after 7 ½ years of issuance. The duration of the policy from date of commencement to date of death has completed 7 years 6 months and 28 days. As the statutory period of two years had clearly expired when the Insurance Company repudiated the claim, Section 45 of the Insurance Act, 1938 applies in the present case and policy cannot be called in question only on the ground of misstatement. It would be appropriate to make reference

to second para of Section 45 of the Insurance Act, 1938, the relevant portion of the section reads as under:

Three conditions for application of 2nd part of Section 45 are –

(a) the statement must be on material matter or must suppress facts which it was material to disclose;
(b) the suppression must be fraudulently made by the policyholder; and
(c) The policy-holder must have known at the time of making the statement that it was false or that it suppressed facts which it was material to disclose.

The repudiation of the claim was solely on the basis of the diagnosis and history mentioned in the physical examination sheet and the death summary of Ruby Hall Clinic Hospital that the deceased life assured was known case of Aortic Stenosis and had also undergone Aortic Valvoplasty 18 years back. The Company has failed to produce any document or medical papers as to when the DLA had undergone Aortic Valvoplasty 18 years back. Max New York Life Insurance Company Ltd. has relied only on the history noted in the hospital papers of Ruby Hall Clinic. No cogent evidence was produced to substantiate their point and thus, thereby, have failed to prove that the life assured had suppressed material facts and Section 45 places the burden of proof on the Insurer and unless the Insurer is able to do so the contract could not be avoided on the ground of alleged misstatements or non-disclosure of facts. The cause of death of the Life Assured was also due to Cardiac Failure due to secondary hemorrhage in Rt plural cavity and not due to Aortic Stenosis. The policy has also completed more than 7½ of the policy term. If the Life Assured was critical she would not have survived such a long term. As such, the benefit of doubt goes in favour of the Complainant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 341 (2009-2010
Award No.IO/MUM/ 284 /2009-2010
Complainant: Smt. Seetabai Kacharu Awsare
V/s.
Respondent: Life Insurance Corporation of India, Mumbai Divisional Office II

AWARD DATED 9.12.2009

Shri Kacharu Dhondiba Awsare had taken a marriage endowment life insurance policy on his own life from Life Insurance Corporation of India, for SA Rs.50,000/-. The DOC was 30.12.2006. Shri Kacharu Dhondiba Awsare expired on 08.07.2006 due to Pulmonary TB with HIV+ve. Life Insurance Corporation of India repudiated all liability under the policy on the

grounds that LA withheld material information regarding his health at the time of effecting the assurance.

The relevant records pertaining to the case have been examined. In the Medical Attendants Certificate, (Claim Form B) dated 02.09.2006 issued by Dr. K.J. Vithal, of Group of T.B. Hospitals (GTB Hospital), the primary cause of death is stated as Pulmonary tuberculosis and the Secondary cause of death is stated as HIV – positive, CRV reactive. To the question "How long has he been suffering from this disease before his death?" – The answer is PTB – 6 years AKT 6 months. To the question "When and for what ailments did you treat the deceased during three years preceding his last illness? – The Doctor states – He was admitted in Hospital from 27.12.2003 and Discharged on 14.02.2004. PTB with pleural effusion. In the Certificate of Hospital Treatment (Claim Form B-1) dated 02.09.2006, signed by the Medical Officer of GTB Hospital, the DLA was admitted on 17.06.2005. He expired on 08.07.2006. The history of the disease mentioned - PTB 3 years back. AKT 6 months. alternate day P-Cat -1 from Dharavi T.B. clinic. Cat-II March 2002 completed in November, 2002 from Dharavi. This history was reported by the patient himself. The diagnosis arrived at the hospital was Pulmonary TB with Pleural Effusion. PTB with RV Reactive (HIV+ve). These facts are also mentioned in the case papers of the hospital.

It is evident from the medical records that the deceased life assured had suffered from Pulmonary T.B. before he proposed for insurance and had taken medical treatment on various occasions for the same. He did not disclose this in the proposal form; instead he gave false answers to the relevant question in the proposal form. Had he disclosed the correct history of his illness, LIC would have called for relevant questionnaire form, X-ray and other pathological reports and would have taken appropriate decision in acceptance or rejection of the risk. The claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 607 (2009-2010)

Award No. IO/MUM/A/ 303 / 2009-2010

Complainant : Smt. Madhavi Manohar Pejlekar

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 23.12.2009

Miss Megha M. Prejlekar had taken a Bajaj Allianz Century Plus Policy with SA Rs.5.00 lacs with term 10 years and annual premium of Rs.1.00 lac. The DOC was 10.06.2008. Miss Megha M. Prejlekar expired on 05.12.2008 due to Pulmonary Kochs and MCTD (Mixed Connective Tissue Disease). The claim was preferred by her mother, Smt. Madhavi M. Pejlekar. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding her health at the time of effecting the assurance. The basis for such decision was the various investigations and the various medical certificates confirm that the deceased life assured was hospitalized and under AKT since 9 months.

The documents submitted to this Forum have been perused. As per the Discharge Summary of Seth G.S. Medical College and KEM Hospital records, it states that the deceased life assured Miss Megha Pejlekar was admitted on 28.08.2008 and discharged on 31.08.2008. The Diagnosis given states Febrile illness k/c/o MCTD with PTB. The History and Course in Ward mentioned – k/c/o MCTD (Mixed Connective Tissue Disease) with PTB (Pulmonary Tuberculosis) and had completed 9 months of AKT with digital Vasculopathy. The Medical Certificate of Cause of Death mentions cause of death as Pulm. Koch and MCTD with PTB with interval between onset and death of approximate 1 year.

As per the above evidence, there is no doubt that the DLA was suffering from Pulmonary Kochs with MCTD and had undergone AKT. She was suffering from the said ailments. Prior to issuance of the policy, which she did not disclose in the proposal form. The Insurer repudiated the claim on the grounds of non-disclosure of material facts.

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

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI-132 of 2009-2010
Award No. IO/MUM/A/ 302 /2009-2010
Complainant : Smt. Kesharbai Bhashkar Mane
V/s.
Respondent : The Life Insurance Corporation of India, Aurangabad Divisional Office

---

AWARD DATED 23.12.2009

Shri Bhashkar Maruti Mane had taken a profit plus policy from LIC of India, Aurangabad Divisional Office. The SA was Rs.2.00 lacs with yearly premium of Rs.20, 000/- The DPC was 4/1/08. Shri Bhashkar Maruti Mane expired on 30.08.2008 ARF with infection. His wife submitted a claim which was repudiated on account of the deceased having withheld material information at the time of effecting the assurance.

.

The dispute between both the parties is for the full Sum Assured under the policy. Shri Bhashkar M. Mane had taken the above policy vide proposal dated 03.01.2008. He was issued a Market Plus Policy with the Option of "Growth Fund" date of commencement as 04.01.2008. He paid one annual premium of Rs.20, 000/-. Unfortunately Shri Mane expired on 30.08.2008 due to ARF with infection which resulted in an early death claim. The duration of the policy was only 7 months and 26 days. The Insurer repudiated the claim vide their letter dated 29.12.2008 due to non-disclosure of material facts stating that the Deceased Life Assured had withheld material facts about his health The Insurer has produced documents as evidence in support of their rejection of the claim. Let us examine these documents.

As per claim form B1 by Dr. Amitabh Kulkarni, the DLA was admitted on 01.10.2007 and was discharged on 25.10.2007 and again from 21.05.2008 to 04.06.2008 for fever with chills and general weakness. He was diagnosed as ARF with infection. The history was reported after Renal Biopsy Report. As per the Discharge Summary by Sholapur Kidney Care & Research Centre, the Date of admission was 01.10.2007 and Date of Discharge was 05.10.2007. The Kidney Biopsy was done on 04.10.2007. The diagnosis arrived at was ARF with infection for evaluation. The Insurer repudiated the claim as the hospitalization and treatment at Sholapur Kidney Centre was not mentioned which was prior to proposal for insurance. From the evidence on record it is proved beyond doubt that the insured suppressed his health status at the time of proposal for insurance which was material for proper assessment of the risk by the Insurer. Had he disclosed his ailments, L.I.C would have called for relevant medical reports and taken appropriate underwriting decision before issuing the policy. From the above documents it is evident that there was suppression of material facts and therefore repudiation of claim for the full sum assured is justified. In the circumstance, this Forum has no valid reason to interfere with the decision of the Insurer to repudiate the death claim of Smt. Kesharbai B. Mane for the full sum assured under Policy.

As the policy under dispute is a Market Plus Policy which has an element of investment, in this case only the Fund Value is payable as on the date of intimation of death. The Insurer is directed to pay the Fund Value on ex-gratia basis under the policy, if not already paid. .

Award No. IO/MUM/A/ 309 / 2009-2010

Complainant : Smt. Vijaya Ganesh Kothekar

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 04.01.2010.

As per complaint lodged by Smt. Vijaya Ganesh Kothekar, wife of the deceased life assured Late Shri Ganesh Narayan Kothekar who had taken a Bajaj Allianz Unit Gain Policy for SA Rs.1.00 lac with Annual premium of Rs.10, 000/- for a term of 16 years

Shri Ganesh Narayan Kothekar expired on 05.06.2008 due to Septicemia Chronic Renal Failure and secondary to Diabetes Melitus with Hypertension with Casculopathy. The claim was preferred by his wife, Smt. Vijaya Kothekar. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance. The basis for such decision was the various investigations and the various medical certificates confirm that the deceased life assured had history of high blood pressure since 5 years and on medication along with diabetes mellitus since 8-9 years and on oral hypoglycemic.

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

We have received an email dated 30.12.2009 from the Insurer stating that they have agreed to make payment of A/c. value of Rs.11,216/- towards the policy.
Let us examine this case as to why the Fund Value under the policy as on the date of intimation of death is to be only paid and not the full sum assured.

As per the Discharge Summary of Orange City Hospital & Research Institute, Nagpur, Shri Ganesh Kothekar was admitted to the said hospital from 14.10.2007 and discharged on 30.10.2007. He was diagnosed as DM with HTN with CAD with Diabetic Neuropathy with Anemia with Hyponetremia (Genitor Urinary Emergency). The relevant past history mentioned in the discharge summary is history of Hypertension – 5 years on valiant 40 – 80 mg. Diabetic Mellitus – 8-9 years on oral hypoglycemic. The Medical Attendant's Report and Certificate of Hospital Treatment Hospital signed by Dr. Devaya Buche of Orange Hospital k/o DM with HTN with diabetic neuropathy CKD in a d/c Kochs abdomen (8.6.08) with Rt. Foot amputation done 10 years back. The pre-existing co-existing disease recorded is Right foot amputation – 10 years. HTN – 5 years, DM – 8-9 years.

As per the above evidence, there is no doubt that the DLA was suffering from the above ailments prior to issuance of the policy, which he did not disclose in the proposal form. The Insurer repudiated the claim on the grounds of non-disclosure of material facts. Only the Fund Value was payable.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI- 247 of 2009-2010
Award No. IO/MUM/A/ 316 /2009-2010
Complainant : Shri Anand Vasudeo Gosavi
V/s.
Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 11.01.2010

Miss Manali Anand Gosavi had taken a life insurance policy from LIC of India, Aurangabad. The SA was Rs.3.00 lacs with annual premium of Rs.10, 000/- under Capital Unit Gain policy. Miss Manali Anand Gosavi expired on 12.01.2009 by committing suicide. Her father Shri Anand V. Gosavi submitted a claim to Bajaj Allianz Life Insurance Company Ltd. However, the Insurer, vide their letter dated 08.04.2009 repudiated all liability under the policy on account of the deceased having withheld material information at the time of effecting the assurance. The Insurer states that the various investigations and medical certificates confirm that the deceased life assured was suffering from fibroid uterus in January 2007 and hospitalized during 8th February 2007 till 15th February 2007 for painful and heavy menses for 3 months, abdominal distention for 1 month, abdominal pain for 1 month and lump in right breast for 8 days. They repudiated the claim for non-disclosure of material facts.

The documents submitted to this Forum have been perused. As per the Discharge Summary of Grant Medical Foundation – Ruby Hall Clinic, Miss Manali Gosavi was admitted to the Hospital on 08.2.2007 and discharged on 15.02.2007. The diagnosis given was giant cervical fibroid. The case papers of the hospital also contain notings stating that was suffering from fibroid uterus in January 2007 and hospitalized during 8th February 2007 till 15th February 2007 for painful and heavy menses for 3 months, abdominal distention for 1 month, abdominal pain for 1 month and lump in right breast for 8 days.

As per the above evidence, there is no doubt that the DLA was suffering from the said ailments. The Insurer repudiated the claim on the grounds of non-disclosure of material facts. Thus Bajaj Allianz Life Insurance Company Ltd. cannot be faulted for repudiating the death claim of Shri Anand V. Gosavi for the full sum assured for non-disclosure of material facts and withholding correct information at the time of effecting the assurance.

The Claimant's in his letter stated that his deceased daughter was his only child and the sole earning member of the family and they were fully dependent on her. In his written statement he has pointed out that his daughter had committed suicide and not died due to the said ailments she was suffering from. This argument holds no ground as the claim is an early claim and had the Insurer had come to know these facts; the company could have cancelled the policy as the policy had not completed two years. According to evidence produced, the life assured had committed suicide and not died due to the said ailments she was suffering from. There is no correlation to the ailments not disclosed in the proposal form and the cause of death. Also, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable as the policy

had an element of investment in addition to risk cover. Also as the cause of death was suicide and not due to any physical ailment which was not disclosed in the proposal form and looking to the family condition and circumstances, a sum of Rs.1.00 lac is to be paid on ex-gratia basis on humanitarian grounds which is inclusive of the fund value

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 612 (2009-2010)

Award No. IO/MUM/A/ 320 / 2009-2010

Complainant : Smt. Tanu Bhimrao Kamble

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 12.01.2010

Shri Bhimrao Ramchandra Kamble had taken a Bajaj Allianz Unit Gain Policy. The SA was Rs. 1.00 lac for 10 years. The annual premium was Rs.10, 000/- .Shri Bhimrao Ramchandra Kamble expired on 29.03.2009 due to Cardio Respiratory Failure with Ischemic Heart Disease with Hypertension with Diabetes Mellitus. The Insurer repudiated the claim vide their letter dated 29.04.2009 on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance.

The documents submitted to this Forum have been perused. As per the Record of Jaslok Hospital dated 18.01.2004, the history mentioned was k/c/o IHD – Operated for CABG 2 yrs back The history sheet mentioned k/c/o DM & HT – 8 yrs on Rx. H/o fever and IHD & cellulites. Pt. k/c/o DM / HT / IHD and CABG - 2 yrs. back. The Medical Attendant Certificate signed by Dr. A.R. Undre states that the Primary cause of death as Cardio Respiratory Failure. The secondary cause of death – Ischemic Heart Disease and the details of illness mentioned as Hypertension and diabetes. The date of first consultation was 18.01.2004 for Cellulites Lt. Leg

As per the above evidence, there is no doubt that the DLA was suffering from the above ailments prior to issuance of the policy, which he did not disclose in the proposal form.

However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable. The deceased life assured had paid 3 annual premiums. It would be fair to refund the fund value acquired as on the date of intimation of death of the Life Assured as the policy has a component of investment in addition to risk cover.

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

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI -674 (2009-2010

Award No. IO/MUM/A/ 324 /2009 - 2010

Complainant : Smt. Manju Hiralal Jaiswal

V/s

Respondent : Life Insurance Corporation of India , Mumbai Divisional Office IV

AWARD DATED 13.01.2010.

Shri Hiralal Jaiswal had taken a Policy from Life Insurance Corporation of India, under Mumbai Divisional Office IV with SA Rs.1.00 lac. The DOC was 28.7.1997. The date of revival was 20.4.2007. Shri Hiralal Jaiswal expired on 27.01.2009 due to Terminal Cardio Respiratory Arrest due to encephalopathy in a case of chronic kidney disease with chronic inflammatory demyelinating polyradiculon neuropathy. . The claim was preferred by his wife Smt. Manju Jaiswal. Life Insurance Corporation of India repudiated the claim vide their letter dated 31.08.2009 for non disclosure of material facts. The policy was allowed to lapse for non-payment of premium due 28.01.2005. The policy was revived for the full sum assured on the strength of a Declaration of Good Health (DGH) dated 19.04.2007. LIC treated the revival as null & void, the first unpaid premium was treated as 01/2005 and therefore the Insurer entertained the claim for the paid-up value under the policy for Rs.17,500/- and vested bonus for Rs.41,900/- from which Survival Benefit dated 7/2007 of Rs.20,000/- was to be recovered. During the hearing the complainant agreed to accept the amount of Rs.39, 400/-. As such the complaint was closed.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 643 (2009-2010)

Award No. IO/MUM/A/ 344 (2009-2010)

Complainant : Smt. Pushpa Rajabhau Thite

V/s

Respondent : ICICI Prudential Life Insurance Co. Ltd.

.

AWARD DATED 25.01.2010.

Shri Rajabhau Devram Thite had taken a Life Time Gold Policy from ICICI Prudential Life Insurance Company Ltd. with SA Rs.5.00 lacs. The term of policy was for 10 years. With annual premium of Rs.1.00 lac. The DOC was from 14.1.2008.

Shri Rajabhau Devram Thite expired on 22.01.2009 due to Bilateral Lobar Pneumonia with Septicemia in case of retroviral disease. The claim was preferred by his wife Smt. Pushpa Rajabhau Thite, which was repudiated by the Company on account of the deceased having suppressed material information regarding his previous illness at the time of effecting the assurance.

The Insurer stated that they hold evidence and reasons to believe that the deceased life assured was a known case of Retro Viral Disease and Tuberculosis since September 2006 and was receiving Anti Retro Viral and Anti Tuberculosis Treatment. Further the life assured had availed continuous leave on medical grounds from September 25, 2006 to February 24, 2007. This medical history which was prior to the proposal was not disclosed in the proposal for insurance.

The documents submitted to this office have been perused. As per the Consultation note dated 28.09.2006 from Dr. Shashank Joshi, Consultant Endocrinologist the History stated is Retroviral, CD4-159. Advice to start Anti Koch Treatment and start Anti Retroviral after 15 days – new regime. The Consultation note dated 14.10.2006 from Dr. Vrinda Nayak, MD, states Mr. Rajabhai Thite is diagnosed as a case of Pulmonary Tuberculosis and has been put on Anti Retrovial treatment as per accompanying prescription. The consultation note dated 05.02.2007 from Dr. Vrinda Nayak, MD states life assured is under treatment for pulmonary tuberculosis is examined by me today. He is fit to resume duty from February 6, 2007. All the above consultation papers are prior to proposal and policy issuance. The cause of death certificate dated 22.01.2009 from J.J. Hospital Post Mortem Centre, Mumbai states Provisional cause of death "Bilateral Lobar Pneumonia with Septicemia in case of Retroviral disease. The certification from his employer - The Municipal Co-operative Bank, Mumbai, dated 16.07.2009. shows that he has taken Medical leave from 09.09.2006 to 24.02.2007 (152 days). This leave is prior to proposal and issuance of the policy.

It is observed from the proposal form on record that the deceased life assured did not disclose his ailments and the course of treatment he underwent in the proposal form. The DLA suppressed material information regarding health as is evident from the consultation papers and prescriptions of the Doctors as also the anti Tuberculosis Treatment and Anti Retro Viral Treatment he was undergoing. In view of this, the stand of the Insurance Company for payment of the full sum assured is tenable.

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

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI-338 (2009-2010
Award No. IO/MUM/A/ 380 /2009-2010
Complainant : Smt. Pratibha Tewari
V/s
Respondent : ICICI Prudential Life Insurance Co. Ltd., Mumbai

---

AWARD DATED 22.2.2010

Shri. Madan Mohan Tewari had taken a Life Insurance Policy from the ICICI Prudential Life Insurance Company, for SA Rs.2.00 lacs. The DOC was 27.8.2007

Shri. Madan Mohan Tiwari expired on 14.08.2008 due to Systemic Amyloidosis with Acute renal Failure. The Company repudiated the claim stating that after careful evaluation of various records, they had noted that the deceased Life Assured was a known case of Bronchiectasis in 1997 Further the Life Assured had a history of joint pains, mild swelling since two years and was diagnosed of Probable Seronegative Rheumatoid Arthritis. They further stated that these facts were not mentioned in the proposal for insurance, he had not disclosed his disorder and diseases involving multiple organs of the body and moreover, he had died because of amyloidosis, which is a multi systemic disease. The Company stated that had he disclosed these facts, they would have under no circumstances issued the said policy.

The records have been perused. Shri Madan Mohan Tewari was issued a policy by the Company after he was medically examined. The Company Doctor declared him as normal life with no extra premium. He was declared as a Standard Life.

Let us examine the documents pertaining to his hospitalization prior to his death. As per the Discharge Summary dated 21.03.2008 issued by Deenanath Mangeshkar Hospital and Research Centre, Pune, the Date of admission – 06.03.2008 and Date of discharge – 21.03.2008. The Final diagnosis – "Diseminated koch's – case of persistent loose motion / joint pain / backache. Developed a new swelling along clavicle, had abscess along medial clavicle". The Discharge Summary dated 08.06.2008 issued by the same hospital with date of admission – 16.05.2008 and date of discharge – 08.06.2008 contains the final diagnosis as – "Bile malabsorption, diarrhea. Old case of disseminated Koch's with malabsorption syndrome". In the discharge summary dated 19.07.2008 from Jehangir Hospital, Pune, with date of admission 29.06.2008 and date of discharge as 19.07.2008, the diagnosis is mentioned as – "disseminated Koch's with malabsorption syndrome. History of Bronchiectasis in 1997". The investigations show slightly enlarged kidneys with increased parenchyma echo texture suggestive of parenchymal disease. The treating doctor's / hospital certificate, dated 03.02.2009 issued by Dr. Vijay Amritkar, Deenanath Mangeshkar Hospital and Research Centre, Pune mentioned the history reported at the time of admission / consultation – joint pain - 20 months, Progressive weight loss for two years. The Death Certificate and Death summary dated 15.08.2008 issued by Sanjay Gandhi Postgraduate Institute of Medical Science, Lucknow, states – Direct and

Antecedent Causes of death: - Acute renal failure and Systematic Amyloidosis. The Diagnosis mentioned is – Acute Renal failure, altered sensorium, Systemic amyloidosis: malabsorption syndrome, nephritic syndrome. Bone marrow infiltration probably myeloma. Tuberculosis (disseminated) under treatment. The History and examination mentioned – Joint pains and mild swelling – 2 years. Fever and weight loss since – 14 months. Diagnosed disseminated tuberculosis – 4-5 months. Loose stools, increased weight loss – 4-5 months. 2 years ago developed pain and swelling of symmetrical joints, including the proximal interphalanglal joint, Meta Carpo Phalangial joint with the elbow and knees. Diagnosis as probable Seronegative Rheumatoid Arthritis. Developed fever low grade evening rise with weight loss.

However, taking into consideration the fact that he lived for more than 10 years after the incidence of the ailment which was present and which he did not disclose, this Forum feels that a sympathetic view can be taken in favour of the claimant. The policy as such, is a Unit Linked Policy and the deceased life assured had paid one instalment premium of Rs.25,000/- and the company after appropriating the charges as per policy, including premium for mortality, should have invested in a fund which was opted by the life assured. The policy clearly provides that the Investment risk in the investment portfolio is borne by the policyholder and the company bears the risk of life cover only... Hence this Forum is of the opinion that the Fund Value as on the date of intimation of death or the amount of premium paid after deduction of risk premium, whichever is higher should be paid to the claimant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 795(2009-2010)

Award No. IO/MUM/A/ 389 / 2009-2010

Complainant : Shri Prakash R. Soni
V/s
Respondent : LIC of India, Mumbai Divisional Office I

AWARD DATED 25.2.2010

Shri Jayantilal R. Soni had taken a policy from LIC of India, under Mumbai Divisional Office I. The SA was Rs.50, 000/- under Plan 180-10 (Money Plus). The DOC was from 11.7.2007. The date of death was on 25.01.2009due to railway accident. The Insurer repudiated the claim on account of the deceased having with held correct information regarding his health at the time of effecting the **assurance.** He had met with an accident earlier and got his left leg amputated up to knee and 4 toes of his right leg were also amputated. He did not however, disclose these facts in his proposal form

Shri Prakash R. Soni the complainant agreed that the toes of his brother's left foot was amputated and his right foot his big toe was amputated in 1987 due to some accident. However, since the policy was a Money Plus Policy, the Company was ready to settle the claim by paying

an amount of Rs.16,350/- as the Surrender Value of the Fund Value under the policy as on the date of intimation of death. The complainant Shri Prakash R. Soni has given his consent to this settlement by the Company. As there was mutual agreement, the complaint was closed at this Forum.

MUMBAIU OMBUDSMAN CENTRE

Complaint No. LI- 690 (2009-2010)
Award No. IO/MUM/A/ 394 /2009-2010
Complainant : Smt. Ishwara N. Bohara
V/s
Respondent : Life Insurance Corporation of India, Thane Divisional Office

---

AWARD DATED 26.02.2010

Shri Netrabahadur Danasingh Bhora had taken a life insurance policy from LIC of India, Thane Divisional Office for sum of Rs.50, 000/- under monthly scheme and the date of commencement was from 01.01.2006.

Shri Netrabahadur Danasingh Bhora expired on 14.10.2008 due to Bilateral Extensive Pulmonary Tuberculosis LIC of India, repudiated all liability under the policy on account of the deceased having withheld correct information regarding the health at the time of effecting the assurance.

The Insurer repudiated the claim on the grounds of non disclosure of material facts regarding his health and treatment taken prior to proposal for assurance. The Insurer has provided by way of evidence, hospital case papers of Sub. District Pen No. 122209, dated 20.04.2004 that he was taking treatment for Pulmonary Tuberculosis. He was taking treatment for Cat 1. The National Tuberculosis Control Programme Treatment Card, Pen, shows that he was undergoing treatment for Tuberculosis from 21.09.2004 to April 2005. The Treatment Card from the said Hospital is evidence and proof. These documents prove beyond doubt that the life assured was suffering from Pulmonary Tuberculosis since September, 2004 and was undergoing treatment. He submitted a proposal for insurance on 10.01.2006. However, he did not disclose this important material fact in his proposal form. Had he disclosed this fact, the Insurer would have called for medical reports and their underwriting decision would have depended on the medical reports. Suppression of material facts is evident. The claim was declined.

,

BEFORE THE INSURANCE OMBUDSMAN
(MAHARASHTRA & GOA)
M U M B A I

Complaint No. LI -420 (2009-2010

Award No. IO/MUM/A/ 400 /2009-2010

Complainant : Smt. Anuradha Anand Naik

V/s

Respondent : Life Insurance Corporation of India , Goa Divisional Office

---

AWARD DATED 4.3.2010

Shri Anand Laxman Naik had taken 8 Life Insurance Policies from LIC, Goa Divisional Office. Shri Anand Laxman Naik expired on 25.01.2008 due to Metabolic Encephalopathy. LIC of India repudiated the claim as the policies were allowed to lapse for non-payment of premiums. All the policies were revived on 22.01.2008 for the full sum assured on the strength of a Personal Statement regarding health signed by the deceased life assured on 22.01.2008.

LIC of India, however, stated that they have evidence and reasons to believe that the life assured was admitted to hospital on 20.01.2008 with history of unconsciousness, profuse sweating and continuous frotting from mouth. He was also a known case of Diabetes Mellitus and Hypertension. He was admitted in the Intensive Care Unit and was on Ventilator support. They stated that he did not, however, disclose these facts in the said Personal Statement. LIC therefore, repudiated the claim on the ground that the life assured had made deliberate mis-statements and withheld material information regarding his health at the time of reviving the policy

The documents on record have been perused. As per the Medical Attendants Certificate (Claim Form B) and the Certificate of Hospital Treatment dated 24.03.2008, signed by Dr. Promod K. Verma, the Dr. states that Shri Anand Naik was admitted to Vrundavan Hospital, Mapuca, Goa on 20.01.2008 in an unconscious / comatose state. The primary cause of death was Metabolic Encephalopathy and Secondary cause was Diabetes Mellitus. It is also mentioned that he was diabetic since 2-3 years. He expired on 25.01.2008. The Case summary and Death Report issued by Dr. Digambar Naik, MD, states that "Patient by name Mr. Anand Naik, 43 years old male was admitted to this hospital on 20.01.2008 at 3.11 A.M. with history of unconsciousness, profuse sweating and continuous frotting from mouth. Patient is known case of Diabetes Mellitus, Hypertension. Patient was admitted to the intensive care unit on Ventilatory support. Patient was managed intensively in the intensive care unit. Despite all intensive management patient expired on 25.01.2008 at 11.45 A.M. due to Metabolic Encephalopathy."

The policies were revived on 22.01.2008 by submitting a Declaration of Good Health. In fact it must be noted that the life assured was admitted in the hospital in an unconscious state and was in the intensive care unit with ventilator support. However, the policies were revived on 22.01.2008 during hospitalization that to when he was in the Intensive Care Unit, by declaring state of health as "Good". The fact that he was admitted in the hospital was not disclosed to the Insurer. However, in the DGH, it was declared that he was in good health. The life assured expired within 3 days of the revival of the policies. The claims were denied.

.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 391 of 2009-2010

Award No. IO/MUM/A/ 417 /2009-2010

Complainant: Mr. Sumedh Suresh Kulkarni

V/s

Respondent: Bajaj Allianz Life Insurance Co. Ltd.

AWARD DATED 15.3.2010

Mr. Suresh Ramchandra Kulkarni had taken a Unit Gain Plus Gold policy from Bajaj Allianz. for sum assured Rs.60, 000/-with premium of Rs.12,000/- annually for a term of 10 years. The DOC was from 10.10.2007.

Mr.Suresh Kulkarni expired on 07/03/2009. His son Mr. Sumedh Kulkarni submitted a claim to Bajaj Allianz Life Insurance which was repudiated on grounds of non-disclosure of material facts. The Company stated that on investigations by the insurer and the various medical certificates confirm that the deceased life assured was hospitalized in November and December 2006 with diagnosis of haemetesis due to oesophagal varices due to portal hypertension with diabetes mellitus. These facts known to the deceased life assured were not disclosed in the proposal form dated 08/10/2007.

The documents produced at this Forum have been perused. The Company declined the claim on the grounds of non-disclosure of material facts prior to proposal. The Company has provided by way of evidence and proof the discharge card from Dr. R.K. Pendharkar Memorial Hospital where the life assured was hospitalized. The discharge card of the said hospital shows that Shri Suresh R. Kulkarni was admitted on 11.11.2006 and discharged on 15.11.2006. The diagnosis stated was haemetemesis due to esophageal varices due to portal hypertension with diabetes mellitus. These facts known to the deceased life assured were not disclosed in the proposal form dated 08.10.2007. This evidence proves clear non-disclosure of material facts by the deceased life assured. In view of this the stand of the Insurance Company is tenable.

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

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

MUMBAI OMBUDSMAN CENTRE
Complaint No.LI- 227 of 2009-2010
Award No. IO/MUM/A/ 425 /2009-2010
Complainant : Shri Anand Vasudeo Gosavi
V/s.
Respondent : HDFC Standard Life Insurance Company Ltd.

AWARD DATED 17.3..2010.

Miss Manali Anand Gosavi had taken a Unit Linked Pension Plan Policy from HDFC Standard Life Insurance Company Ltd..with a premium of Rs.2, 000/- monthly for a term of 17 years. Miss Manali Anand Gosavi expired on 12.01.2009 by committing suicide. Her father submitted a claim to HDFC Standard Life Insurance Company Ltd. The Insurer, repudiated the claim as the policy was lapsed due to nonpayment of monthly premiums due from November, 2008.

On hearing both the parties, the Ombudsman voiced the following issues to the representative of the Company:

The product which was sold to the deceased life assured, Ms. Manali Anand Gosavi is an Annuity Plan with a monthly premium of Rs.2,000/- to be paid for 17 years. This means that the deceased life assured, who was working in a Government department, at a relatively young age, has chosen to create a Retirement Corpus over her working span of life and enjoy a pension from the date of vesting. Had she been alive, there is every chance; she should have continued the policy. But for some reason, two monthly installment premiums due on 11//2008 and 12/2008 was not paid by her and the policy stood lapsed on the date of death viz. 12.01.2009.

Consequent to the death of Ms. Manali Anand Gosavi, her father, Shri Aanand Vasudeo Gosavi, the beneficiary under the policy has applied for the amounts under the policy. It is to be noted that this is a policy without any risk cover. Since there is no risk cover involved, it is quite natural that the beneficiary expects the Company to pay back to him whatever monies have been paid by his daughter. However, the Forum finds that the Company has invoked the lapsation clause and applied surrender charges and denied him even the fund value which was only Rs.7847.83. As per the terms of the Contract, the policy can be renewed only by the life assured and the beneficiary under the policy is in no way can take a decision regarding revival of the policy. In such a situation, invoking the lapsation clause and restricting the benefits payable by applying the surrender charges seems to be not fair and just. Hence the Company was advised to revisit the case The Company informed this Forum that they are ready to settle the matter and

offer the complainant the payment of Rs.7,847.83, i.e. the Fund Value as full and final benefit payable for the above policy.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 362(2009-2010)

Award No. IO/MUM/A/ 424 / 2009-2010

Complainant : Smt. Neerabai V. Awasare

V/s

Respondent : LIC of India, Pune Divisional Office II

AWARD DATED 17.03.2010

Shri Vitthal Nathuram Awasare had taken 2 Life Insurance Policies from LIC of India for sum assured Rs.1.00 lac and Rs.50,000/-. The date of commencement was from 8.8.06 and 25.3.07 respectively. He expired on 29.06.2008 due to Acute Respiratory Distress Syndrome. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance.

LIC of India, stated that they had evidence and reasons to believe that before he proposed for the above policies, he had suffered from Diabetes and Hypertension for which he consulted medical man and taken treatment from him in the hospital. These facts were not disclosed at the time of proposal.

The documents submitted to this Forum have been perused. As per the Medical Certification of Cause of Death, the immediate cause of death is mentioned as "Acute Respiratory Distress Syndrome". The antecedent cause is mentioned as "Cardiogenic shock, Acute Myocardial Infarction". The Significant conditions contributing to the death is mentioned as "Hypertension, Diabetes Mellitus". As per the Medical Attendant Certificate signed by Dr. Suhas Hardas, MD, Consultant & Interventional Cardiologist, states that the Primary cause of death as "ARDS". The Secondary cause as "Cardiogenic Shock, AMI, DM, HTN" To the question – What other disease or illness preceded The answer was stated as " DM, HTN – 3 years" As per the case papers of Poona Hospital & Research Centre the Past History mentioned was – DM, HTN – 3 years. As per Certificate of Hospital Treatment, the DLA was admitted in Poone Hospital from 28.06.2008 to 29.06.2008. A Certificate dated 27.11.2008 was issued by Dr. Sanjay P. Kshirsagar, BAMS stating that the DLA was under his treatment regularly and was a known patient of Hypertension detected 2-3 years back. He was treated on Tab Stamilo 5 mg and Diabetes Mellitus was detected one year back, and was treated on Tab Calycomel 500 - 1 OD (once a day).

As per the above evidence, there is no doubt that the DLA was suffering from the above ailments prior to issuance of the policies, which he did not disclose in the proposal form. The claims were denied.

MUMBAI OMBUDSMAN CENTRE
Complaint No. LI – 848 (2009-2010)
Award No. IO/MUM/A/ 433 /2009-2010
Complainant : Smt. Manisha Sanjay Daunde
V/s
Respondent : Life Insurance Corporation of India, Pune Division II

AWARD DATED 22.3.2010

Shri Sanjay Arjun Daunde had taken Life Insurance Policy from Life Insurance Corporation of India, Pune Division II. The SA was Rs.50, 000/- with DOC 24.3.2004. The policy lapsed and was revived on 24.11.2006. He expired on 28.01.2007 due to Pulmonary Tuberculosis. Life Insurance Corporation of India repudiated the claim on the ground that the LA made deliberate mis-statement and withheld material information from them regarding his health at the time of Revival of his policy for the full sum assured on the strength of a Personal Statement. LIC stated that they had evidence and reasons to believe to show that before the date of revival the Life Assured had suffered from Pulmonary Tuberculosis with Hepatitis and had consulted medical man and had taken treatment from him. He did not, however disclose these facts in his said Personal Statement.

The records submitted to this office pertaining to the case have been scrutinized. In the Medical Attendant's Certificate (Claim Form B) and Certificate of Hospital Treatment (Claim Form B-1) signed by Dr. R.M. Rokade, MD, states that the DLA was admitted to Niramay Clinic, Dist. Solapur on 27.01.2007 with cough, breathlessness and fever and was suffering from the same for the last 5 months. The diagnosis given was Pulmonary Tuberculosis with Infective Hepatitis. He expired on 28.01.2007. Dr. R.M. Rokade has also provided a certificate stating that Shri Sanjay Arjun Daunde was treated for Resistant Pulmonary Tuberculosis with Infective Hepatitis from September 2006 to 28.01.2007. These documents clearly prove that the deceased life assured Shri Sanjay Arjun Daunde was under treatment of Dr. R.M. Rokade, MD, from September 2006 to 28.01.2009 for Pulmonary Tuberculosis with Infective Hepatitis. He suppressed this material information regarding his health while submitting the Personal Statement for revival of his policy on 24.11.2006. He was duty bound to disclose all the information about his health correctly.

From the above facts, it is clear that the deceased life assured suppressed material information and made misstatement regarding his health at the time of revival, thereby denied an opportunity to L.I.C to probe in the matter and take appropriate underwriting decision. The claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 700 (2009-2010
Award No. IO/MUM/A/ 395 /2009-2010

Complainant : Smt. Chanda Rajan Dhankar
V/s
Respondent : Life Insurance Corporation of India , Thane Divisional Office

---

AWARD DATED 26.03.2010

Shri Rajan Kalidas Dhankar had taken a Life Insurance Policies from LIC. Shri Rajan Kalidas Dhankar expired on 10.07.2007 due to Carcinoma of Penis. Smt. Chanda Rajan Dhankar, preferred the claim. LIC repudiated the claim as they had undisputable proof to show that the Life Assured suffered from Carcinoma of Penis before the date of risk for which he had consulted medical men and had taken treatment from a hospital. These facts were not disclosed at the time of proposal.

Under Policy No. 920615449 the claim was entertained only for the paid-up value secured for an amount of Rs.775/- with Bonus of Rs.33,025 amounting to Rs.33,800/-. The Insurer denied the full claim under this policy as the policy lapsed on 2/2006 and was revived on 20.04.2007.

Under Policy No. 923464088 the risk cover was from 15.11.2005. The Insurer has produced evidence as proof showing that the DLA was admitted to Sai Deep Hospital from 02.08.2005 to 03.08.2005 with diagnosis as Carcinoma Penis. This hospitalization was not disclosed in the proposal form dated 29.12.2005. This proves beyond doubt that the deceased life assured was hospitalized prior to proposal. The claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 840 of 2009-2010
Award No. IO/MUM/A/ 449/2009-2010
Complainant : Smt. Vanitha D. Phaste
V/s.
Respondent : The Life Insurance Corporation of India, Mumbai Division II.

AWARD DATED 29.3.2010

Shri Dilip Ramchandra Phaste had taken a life insurance policy from LIC of India, Mumbai Divisional Office II. The SA was Rs.50, 000/-. The DOC was from 8.3.2006. He expired on 30.09.2006 due to High Fever and Convulsions. LIC of India repudiated all liability under the policy on account of the deceased having withheld material information regarding age at the time of effecting the assurance. The basis for such decision was at the time of proposals for assurance dated 08.03.2006 signed by the life assured, in answer to question No.2 requiring him to give his age nearer birthday, he gave it as 42 years instead of 56 years.

Smt. Vanitha Phaste was asked to submit age proof of her two brothers-in-law and sisters-in law. She was also asked to submit age proof of her mother-in-law. The same should be submitted to this Forum within 7 days.

Let us examine the documents submitted as regards to the age of the deceased life assured. As per the proposal form dated 08.03.2006, his Date of Birth stated in the form is 10.01.1964 and age at entry is given as 42 years. The basis of admitting the age was a self declaration submitted by the deceased life assured which has been corroborated by the Agent. The Agent has countersigned the Declaration stating that age proof was not available and that the proposer was 42 years old. However, as per the Election Card the age admitted as on 01.01.1998 is shown as 48 years. This shows that the deceased life assured was 56 years of age as on date of proposal and there was a difference of 14 years, thus, an understatement of age. The contention of the insurer was, had he stated his correct age, they would have called for special medical reports and the underwriting decision would have been different as also the premium charged under the policy would have been higher had they accepted the proposal.

According to the insurer, as the policy was an early claim, investigations were carried out by the insurer As per the Confidential Claim Enquiry Report dated 05.06.2007 signed by Shri S.B. Badhan, ABM(S), Bhayander Branch of LIC of India, to the question in the claim enquiry report - The age of assured at the time of proposal. Whether there has been any understatement of age – his answer was "Nearly 38 years". In the said Report he also stated that the life assured died on 30.09.2006 due to fever with convulsions at his village Tol B II, Badruk, Tal – Mahad Raigad. As per the enquiry from relatives and neighbors, the DLA was healthy and not having any bad habits. Also DLA was working in a Diamond Industry from last 10-15 years. He was staying at Bhayander with his brother-in-law and used to visit his native place in Mahad Tahsil in Raigad District. They stated that the DLA died due to high fever suddenly. In the month of September 2006 he visited his native place and suddenly he got high fever. But as it was late in the evening no medical facility was available at the village and he could not get any treatment immediately. Before a Doctor could arrive from Dasgaon, the LA died. Another Confidential Claim Enquiry Report dated 25,09,2007 completed by Shri S. U Nadkarni, ABM (S) of 937 Branch under Mumbai Division II of LIC of India, to the question - The age of assured at the time of proposal. Whether there has been any understatement of age? – His answer was "42 years. No apparent understatement of age". He has also mentioned "No past history of any illness was reported. The L.A. reportedly died due to sudden onset of high fever while he was at his native place". These enquiries have been carried out by the Company's personnel. These reports state that there was no apparent understatement of age by the deceased life assured.

From the documents and facts of the case produced at this Forum, the material facts are contradicting in nature. LIC of India cannot be faulted for repudiating the claim under the policy for the full sum assured as there is contradicting evidence as to the actual age of the deceased life assured. However, looking to the facts and circumstances and the socio economic background of the complainant, an ex-gratia payment of Rs.10, 000/- is awarded in this case.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 395 (2009-2010)

Award No.O/MUM/A/ 456 / 2009-2010

Complainant : Smt. Jayasri Satish Shete

V/s

Respondent : LIC of India, Pune Divisional Office II

AWARD DATED 30.03.2010

Shri Satish Rameshawar Shete had taken Life Insurance Policy from LIC of India under Pune D.O. II for sum assured Rs.1.00 lac with DOC dated 31.3.2005. He expired on 13.12.2005 due to Ischemic Heart Disease. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance.

LIC stated that they had evidence and reasons to believe that about one month before he proposed for the above polices, he had suffered from Diabetes Mellitus for which he consulted medical man and taken treatment from him in the hospital. These facts were not disclosed at the time of proposal and instead he gave false answers in the proposal form.

The documents submitted to this Forum have been perused. The repudiation of claim by the Company was due to non disclosure of material facts. The proposal was dated 31.03.2005. However, the deceased life assured had consulted Dr. Girish G. Borawarke, MD on 23.02.2005 and again on 07.03.2005. He had undergone various medical tests. According to the Pathology Test Report dated 23.02.2005, his Random Blood Sugar showed 329 mg% (normal range is 60 - 150 mgm %). The Pathology Test Report dated 07.03.2005 his Post Prandial Blood Sugar reading showed 222 mg% (normal range 100-110 mgm %). As per the Post Mortem Report and the Post Mortem Certificate, it states the Cause of Death as Ischemic Heart Disease. As per the above evidence, there is no doubt that the DLA was suffering from Diabetes Mellitus just before

proposing for assurance. He did not disclose that he had Diabetes in the proposal form. The claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 172 (2009-2010)
Award No. IO/MUM/A/ 448 /2009-2010
Complainant : Shri Shyamsunder N. Saraf
V/s
Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 30TH MARCH 2010

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

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

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

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

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

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

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

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

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

Lateral Shift:-

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

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

MUMBAI

MUMBAI OMBUDSMAN CENTRE

COMPLAINT NO. LI - 724 of 2008-2009
Award No. IO/MUM/A/ 269 /2009-2010
Complainant : Smt. Savita David Gaikwad
V/S
Respondent : Bajaj Allianz Life Insurance Co. Ltd.

AWARD DATED 26.11.2009

Smt. Savita David Gaikwad, an Insurance Consultant for Bajaj Allianz Life Insurance Company Ltd., had taken a Health Care First life insurance policy The Policy Term was for 3 years with an annual premium was Rs.2,367/-. The Sum Assured under the policy was for Rs.1.00 lac. Smt. Savita Gaikwad was admitted to Lok Hospital from 24.09.2008 to 25.09.2008 due to pain in the epigastria region with loose motions and nausea. The diagnosis stated in the discharge summary was given as "Enteritis". She submitted a claim on 27.09.2008 to the Company for an amount of Rs.7,353 towards hospitalization expenses and Rs.1,760/- towards Pre-hospitalization expenses amounting to a total claim of Rs.9,113/-. However, Bajaj Allianz Life Insurance Company Ltd. repudiated her claim giving the reason "The member was admitted for Enteritis but stool report is not available. On scrutinizing the indoor case it is evident that the member is known case of vitamin B12 deficiency. Chronic diarrhea is definite cause of vitamin B12 deficiency in that case considering 10 months of policy duration, our panel doctor is of the opinion claim is not admissible and not payable".

As per the Discharge Summary of Lok Hospital, Smt. Savita Gaikwad was admitted on 24.09.2008 to 25.09.2008 with a history of pain in the epigastric region, loose motions, nausea. The Diagnosis was given as "Enteritis". The Doctor's notes of the hospital mentions " 37 yr / F – c/o pain abdomen since a week – L.M. and foul smell – mucus (+) – Headache – Nausea – No c/o of vomiting / urine – k/c/o Vit B12/ deficiency, anemia – h/o gastritis. A CT scan of abdomen was recommended. The Opinion given in the Report of the CT scan dated 25.09.2008 states "Small umbilical hernia is seen. No other diagnostically significant abnormality seen in

CT scan of abdomen and pelvis. Liver, spleen, pancreas, both adrenals and kidneys are free of any space occupying lesions. There is no free fluid in the abdomen, abdominal or retroperitoneal adenopathy. No evidence of any bowel mass or thickening is appreciated.

The Insurer has relied on the case papers of the hospital records, viz. The Doctor's notes where it is mentioned - k/c/o Vitamin B12 deficiency. In this case, the reason for repudiation of claim by the Insurer is the pre-existing disease of Vitamin B12 deficiency which the insurer states that the insured had not disclosed in the proposal for insurance. The Insurer states that chronic diarrhea, alabsorption syndrome is a definite cause of Vit B12 deficiency and considering 10 months duration of policy, they have concluded that diarrhea / malabsorption causing Vit B12 deficiency cannot occur within this brief period. It is not proper to conclude that the patient was suffering from Vit. B12 deficiency prior to the inception of the policy. The conclusion made by the Insurer in their repudiation letter is purely based on the noting & history noted by the Doctor in the case papers of the hospital. Except for this noting in one hospital, the Insurer has also not proved with any cogent evidence that the LA was suffering from suffering from Vit. B12 deficiency prior to proposal of assurance by way of any other medical reports, pathology reports, consultation of family doctor, prescription of any doctor or medical bills. The onset of the disease or the duration of the disease from when she was suffering of Vit B12 deficiency is not mentioned. In fact in the Doctor's note, it is clearly mentioned that c/o pain in abdomen since a week and not prior to the proposal date. Another fact should be taken into consideration is that any abdomen pain suffered by anyone, the patient will not wait for 10 months to get it examined by a Doctor and start treatment. Under the circumstance, the benefit of doubt goes in favor of the Insured.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI-338 (2009-2010

Award No. IO/MUM/A/ 380 /2009-2010

Complainant : Smt. Pratibha Tewari

V/s

Respondent : ICICI Prudential Life Insurance Co. Ltd., Mumbai

---

AWARD DATED 22.2.2010

Shri. Madan Mohan Tewari had taken a Life Insurance Policy from the ICICI Prudential Life Insurance Company, for SA Rs.2.00 lacs. The DOC was 27.8.2007

Shri. Madan Mohan Tiwari expired on 14.08.2008 due to Systemic Amyloidosis with Acute renal Failure. The Company repudiated the claim stating that after careful evaluation of various records, they had noted that the deceased Life Assured was a known case of Bronchiectasis in 1997 Further the Life Assured had a history of joint pains, mild swelling since two years and was diagnosed of Probable Seronegative Rheumatoid Arthritis. They further stated that these facts were not mentioned in the proposal for insurance, he had not disclosed his

disorder and diseases involving multiple organs of the body and moreover, he had died because of amyloidosis, which is a multi systemic disease. The Company stated that had he disclosed these facts, they would have under no circumstances issued the said policy.

The records have been perused. Shri Madan Mohan Tewari was issued a policy by the Company after he was medically examined. The Company Doctor declared him as normal life with no extra premium. He was declared as a Standard Life.

Let us examine the documents pertaining to his hospitalization prior to his death. As per the Discharge Summary dated 21.03.2008 issued by Deenanath Mangeshkar Hospital and Research Centre, Pune, the Date of admission – 06.03.2008 and Date of discharge – 21.03.2008. The Final diagnosis – "Diseminated koch's – case of persistent loose motion / joint pain / backache. Developed a new swelling along clavicle, had abscess along medial clavicle". The Discharge Summary dated 08.06.2008 issued by the same hospital with date of admission – 16.05.2008 and date of discharge – 08.06.2008 contains the final diagnosis as – "Bile malabsorption, diarrhea. Old case of disseminated Koch's with malabsorption syndrome". In the discharge summary dated 19.07.2008 from Jehangir Hospital, Pune, with date of admission 29.06.2008 and date of discharge as 19.07.2008, the diagnosis is mentioned as – "disseminated Koch's with malabsorption syndrome. History of Bronchiectasis in 1997". The investigations show slightly enlarged kidneys with increased parenchyma echo texture suggestive of parenchymal disease. The treating doctor's / hospital certificate, dated 03.02.2009 issued by Dr. Vijay Amritkar, Deenanath Mangeshkar Hospital and Research Centre, Pune mentioned the history reported at the time of admission / consultation – joint pain - 20 months, Progressive weight loss for two years. The Death Certificate and Death summary dated 15.08.2008 issued by Sanjay Gandhi Postgraduate Institute of Medical Science, Lucknow, states – Direct and Antecedent Causes of death: - Acute renal failure and Systematic Amyloidosis. The Diagnosis mentioned is – Acute Renal failure, altered sensorium, Systemic amyloidosis: malabsorption syndrome, nephritic syndrome. Bone marrow infiltration probably myeloma. Tuberculosis (disseminated) under treatment. The History and examination mentioned – Joint pains and mild swelling – 2 years. Fever and weight loss since – 14 months. Diagnosed disseminated tuberculosis – 4-5 months. Loose stools, increased weight loss – 4-5 months. 2 years ago developed pain and swelling of symmetrical joints, including the proximal interphalanglal joint, Meta Carpo Phalangial joint with the elbow and knees. Diagnosis as probable Seronegative Rheumatoid Arthritis. Developed fever low grade evening rise with weight loss.

However, taking into consideration the fact that he lived for more than 10 years after the incidence of the ailment which was present and which he did not disclose, this Forum feels that a sympathetic view can be taken in favour of the claimant. The policy as such, is a Unit Linked Policy and the deceased life assured had paid one instalment premium of Rs.25,000/- and the company after appropriating the charges as per policy, including premium for mortality, should have invested in a fund which was opted by the life assured. The policy clearly provides that the Investment risk in the investment portfolio is borne by the policyholder and the company bears the risk of life cover only. Hence this Forum is of the opinion that the Fund Value as on the date

of intimation of death or the amount of premium paid after deduction of risk premium, whichever is higher should be paid to the claimant.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI-132 of 2009-2010
Award No. IO/MUM/A/ 302 /2009-2010
Complainant : Smt. Kesharbai Bhashkar Mane
V/s.
Respondent : The Life Insurance Corporation of India, Aurangabad Divisional Office

---

AWARD DATED 23.12.2009

Shri Bhashkar Maruti Mane had taken a profit plus policy from LIC of India, Aurangabad Divisional Office. The SA was Rs.2.00 lacs with yearly premium of Rs.20,000/- The DPC was 4/1/08. Shri Bhashkar Maruti Mane expired on 30.08.2008 ARF with infection. His wife submitted a claim which was repudiated on account of the deceased having withheld material information at the time of effecting the assurance.

.

The dispute between both the parties is for the full Sum Assured under the policy. Shri Bhashkar M. Mane had taken the above policy vide proposal dated 03.01.2008. He was issued a Market Plus Policy with the Option of "Growth Fund" date of commencement as 04.01.2008. He paid one annual premium of Rs.20,000/-. Unfortunately Shri Mane expired on 30.08.2008 due to ARF with infection which resulted in an early death claim. The duration of the policy was only 7 months and 26 days. The Insurer repudiated the claim vide their letter dated 29.12.2008 due to non-disclosure of material facts stating that the Deceased Life Assured had withheld material facts about his health The Insurer has produced documents as evidence in support of their rejection of the claim. Let us examine these documents.

As per claim form B1 by Dr. Amitabh Kulkarni, the DLA was admitted on 01.10.2007 and was discharged on 25.10.2007 and again from 21.05.2008 to 04.06.2008 for fever with chills and general weakness. He was diagnosed as ARF with infection. The history was reported after Renal Biopsy Report. As per the Discharge Summary by Sholapur Kidney Care & Research Centre, the Date of admission was 01.10.2007 and Date of Discharge was 05.10.2007. The Kidney Biopsy was done on 04.10.2007. The diagnosis arrived at was ARF with infection for evaluation. The Insurer repudiated the claim as the hospitalization and treatment at Sholapur Kidney Centre was not mentioned which was prior to proposal for insurance. From the evidence on record it is proved beyond doubt that the insured suppressed his health status at the time of proposal for insurance which was material for proper assessment of the risk by the Insurer. Had he disclosed his ailments, L.I.C would have called for relevant medical reports and taken appropriate underwriting decision before issuing the policy. From the above documents it is evident that there was suppression of material facts and therefore repudiation of claim for the full sum assured is justified. In the circumstance, this Forum has no valid reason to interfere with the

decision of the Insurer to repudiate the death claim of Smt. Kesharbai B. Mane for the full sum assured under Policy.

As the policy under dispute is a Market Plus Policy which has an element of investment, in this case only the Fund Value is payable as on the date of intimation of death. The Insurer is directed to pay the Fund Value on ex-gratia basis under the policy, if not already paid. .

MUMBAI OMBUDSMAN CENTRE
Complaint No.LI- 227 of 2009-2010
Award No. IO/MUM/A/ 425 /2009-2010
Complainant : Shri Anand Vasudeo Gosavi
V/s.
Respondent : HDFC Standard Life Insurance Company Ltd.

AWARD DATED 17.3..2010.

Miss Manali Anand Gosavi had taken a Unit Linked Pension Plan Policy from HDFC Standard Life Insurance Company Ltd.with a premium of Rs.2, 000/- monthly for a term of 17 years. Miss Manali Anand Gosavi expired on 12.01.2009 by committing suicide. Her father submitted a claim to HDFC Standard Life Insurance Company Ltd. The Insurer, repudiated the claim as the policy was lapsed due to nonpayment of monthly premiums due from November, 2008.

On hearing both the parties, the Ombudsman voiced the following issues to the representative of the Company:

The product which was sold to the deceased life assured, Ms. Manali Anand Gosavi is an Annuity Plan with a monthly premium of Rs.2, 000/- to be paid for 17 years. This means that the deceased life assured, who was working in a Government department, at a relatively young age, has chosen to create a Retirement Corpus over her working span of life and enjoy a pension from the date of vesting. Had she been alive, there is every chance; she should have continued the policy. But for some reason, two monthly installment premiums due on 11//2008 and 12/2008 was not paid by her and the policy stood lapsed on the date of death viz. 12.01.2009.

Consequent to the death of Ms. Manali Anand Gosavi, her father, Shri Aanand Vasudeo Gosavi, the beneficiary under the policy has applied for the amounts under the policy. It is to be noted that this is a policy without any risk cover. Since there is no risk cover involved, it is quite natural that the beneficiary expects the Company to pay back to him whatever monies have been paid by his daughter. However, the Forum finds that the Company has invoked the lapsation clause and applied surrender charges and denied him even the fund value which was only Rs.7847.83. As per the terms of the Contract, the policy can be renewed only by the life assured and the beneficiary under the policy is in no way can take a decision regarding revival of the policy. In such a situation, invoking the lapsation clause and restricting the benefits payable by applying the surrender charges seems to be not fair and just. Hence the Company was advised to

revisit the case The Company informed this Forum that they are ready to settle the matter and offer the complainant the payment of Rs.7,847.83, i.e. the Fund Value as full and final benefit payable for the above policy.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI- 247 of 2009-2010
Award No. IO/MUM/A/ 316 /2009-2010
Complainant : Shri Anand Vasudeo Gosavi
V/s.
Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 11.01.2010

Miss Manali Anand Gosavi had taken a life insurance policy from LIC of India, Aurangabad . The SA was Rs.3.00 lacs with annual premium of Rs.10, 000/- under Capital Unit Gain policy. Miss Manali Anand Gosavi expired on 12.01.2009 by committing suicide. Her father Shri Anand V. Gosavi submitted a claim to Bajaj Allianz Life Insurance Company Ltd. However, the Insurer, vide their letter dated 08.04.2009 repudiated all liability under the policy on account of the deceased having withheld material information at the time of effecting the assurance. The Insurer states that the various investigations and medical certificates confirm that the deceased life assured was suffering from fibroid uterus in January 2007 and hospitalized during 8th February 2007 till 15th February 2007 for painful and heavy menses for 3 months, abdominal distention for 1 month, abdominal pain for 1 month and lump in right breast for 8 days. They repudiated the claim for non-disclosure of material facts.

The documents submitted to this Forum have been perused. As per the Discharge Summary of Grant Medical Foundation – Ruby Hall Clinic, Miss Manali Gosavi was admitted to the Hospital on 08.2.2007 and discharged on 15.02.2007. The diagnosis given was giant cervical fibroid. The case papers of the hospital also contain notings stating that was suffering from fibroid uterus in January 2007 and hospitalized during 8th February 2007 till 15th February 2007 for painful and heavy menses for 3 months, abdominal distention for 1 month, abdominal pain for 1 month and lump in right breast for 8 days.

As per the above evidence, there is no doubt that the DLA was suffering from the said ailments. The Insurer repudiated the claim on the grounds of non-disclosure of material facts. Thus Bajaj Allianz Life Insurance Company Ltd. cannot be faulted for repudiating the death claim of Shri Anand V. Gosavi for the full sum assured for non-disclosure of material facts and withholding correct information at the time of effecting the assurance.

The Claimant's in his letter stated that his deceased daughter was his only child and the sole earning member of the family and they were fully dependent on her. In his written statement he has pointed out that his daughter had committed suicide and not died due to the said ailments she was suffering from. This argument holds no ground as the claim is an early claim

and had the Insurer had come to know these facts; the company could have cancelled the policy as the policy had not completed two years. According to evidence produced, the life assured had committed suicide and not died due to the said ailments she was suffering from. There is no correlation to the ailments not disclosed in the proposal form and the cause of death. Also, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable as the policy had an element of investment in addition to risk cover. Also as the cause of death was suicide and not due to any physical ailment which was not disclosed in the proposal form and looking to the family condition and circumstances, a sum of Rs.1.00 lac is to be paid on ex-gratia basis on humanitarian grounds which is inclusive of the fund value

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 306(2009-2010)

Award No. IO/MUM/A/ 309 / 2009-2010

Complainant : Smt. Vijaya Ganesh Kothekar

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 04.01.2010.

As per complaint lodged by Smt. Vijaya Ganesh Kothekar, wife of the deceased life assured Late Shri Ganesh Narayan Kothekar who had taken a Bajaj Allianz Unit Gain Policy for SA Rs.1.00 lac with Annual premium of Rs.10, 000/- for a term of 16 years

Shri Ganesh Narayan Kothekar expired on 05.06.2008 due to Septicemia Chronic Renal Failure and secondary to Diabetes Melitus with Hypertension with Casculopathy. The claim was preferred by his wife, Smt. Vijaya Kothekar. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance. The basis for such decision was the various investigations and the various medical certificates confirm that the deceased life assured had history of high blood pressure since 5 years and on medication along with diabetes mellitus since 8-9 years and on oral hypoglycemic.

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

We have received an email dated 30.12.2009 from the Insurer stating that they have agreed to make payment of A/c. value of Rs.11,216/- towards the policy.
Let us examine this case as to why the Fund Value under the policy as on the date of intimation of death is to be only paid and not the full sum assured.

As per the Discharge Summary of Orange City Hospital & Research Institute, Nagpur, Shri Ganesh Kothekar was admitted to the said hospital from 14.10.2007 and discharged on

30.10.2007. He was diagnosed as DM with HTN with CAD with Diabetic Neuropathy with Anemia with Hyponetremia (Genitor Urinary Emergency). The relevant past history mentioned in the discharge summary is history of Hypertension – 5 years on valiant 40 – 80 mg. Diabetic Mellitus – 8-9 years on oral hypoglycemic. The Medical Attendant's Report and Certificate of Hospital Treatment Hospital signed by Dr. Devaya Buche of Orange Hospital k/o DM with HTN with diabetic neuropathy CKD in a d/c Kochs abdomen (8.6.08) with Rt. Foot amputation done 10 years back. The pre-existing co-existing disease recorded is Right foot amputation – 10 years. HTN – 5 years, DM – 8-9 years.

As per the above evidence, there is no doubt that the DLA was suffering from the above ailments prior to issuance of the policy, which he did not disclose in the proposal form. The Insurer repudiated the claim on the grounds of non-disclosure of material facts. Only the Fund Value was payable.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 391 of 2009-2010

Award No. IO/MUM/A/ 417 /2009-2010

Complainant: Mr. Sumedh Suresh Kulkarni

V/s

Respondent: Bajaj Allianz Life Insurance Co. Ltd.

AWARD DATED 15.3.2010

Mr. Suresh Ramchandra Kulkarni had taken a Unit Gain Plus Gold policy from Bajaj Allianz. for sum assured Rs.60,000/-with premium of Rs.12,000/- annually for a term of 10 years. The DOC was from 10.10.2007.

Mr.Suresh Kulkarni expired on 07/03/2009. His son Mr. Sumedh Kulkarni submitted a claim to Bajaj Allianz Life Insurance which was repudiated on grounds of non-disclosure of material facts. The Company stated that on investigations by the insurer and the various medical certificates confirm that the deceased life assured was hospitalized in November and December 2006 with diagnosis of haemetesis due to oesophagal varices due to portal hypertension with diabetes mellitus. These facts known to the deceased life assured were not disclosed in the proposal form dated 08/10/2007.

The documents produced at this Forum have been perused. The Company declined the claim on the grounds of non-disclosure of material facts prior to proposal. The Company has provided by way of evidence and proof the discharge card from Dr. R.K. Pendharkar Memorial Hospital where the life assured was hospitalized. The discharge card of the said hospital shows that Shri Suresh R. Kulkarni was admitted on 11.11.2006 and discharged on 15.11.2006. The diagnosis stated was haemetemesis due to esophageal varices due to portal hypertension with diabetes mellitus. These facts known to the

deceased life assured were not disclosed in the proposal form dated 08.10.2007. This evidence proves clear non-disclosure of material facts by the deceased life assured. In view of this the stand of the Insurance Company is tenable.

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

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 395 (2009-2010)

Award No. IO/MUM/A/ 456 / 2009-2010

Complainant : Smt. Jayasri Satish Shete

V/s

Respondent : LIC of India, Pune Divisional Office II

AWARD DATED 30.03.2010

Shri Satish Rameshawar Shete had taken Life Insurance Policy from LIC of India under Pune D.O. II for sum assured Rs.1.00 lac with DOC dated 31.3.2005. He expired on 13.12.2005 due to Ischemic Heart Disease. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance.

LIC stated that they had evidence and reasons to believe that about one month before he proposed for the above polices, he had suffered from Diabetes Mellitus for which he consulted medical man and taken treatment from him in the hospital. These facts were not disclosed at the time of proposal and instead he gave false answers in the proposal form.

The documents submitted to this Forum have been perused. The repudiation of claim by the Company was due to non disclosure of material facts. The proposal was dated 31.03.2005. However, the deceased life assured had consulted Dr. Girish G. Borawarke, MD on 23.02.2005 and again on 07.03.2005. He had undergone various medical tests. According to the Pathology Test Report dated 23.02.2005, his Random Blood Sugar showed 329 mg% (normal range is 60 - 150 mgm %). The Pathology Test Report dated 07.03.2005 his Post Prandial Blood Sugar reading showed 222 mg% (normal range 100-110 mgm %). As per the Post Mortem Report and the Post Mortem Certificate, it states the Cause of Death as Ischemic Heart Disease. As per the above evidence, there is no doubt that the DLA was suffering from Diabetes Mellitus just before proposing for assurance. He did not disclose that he had Diabetes in the proposal form. The claim was denied.

BEFORE THE INSURANCE OMBUDSMAN

(MAHARASHTRA & GOA)
M U M B A I

Complaint No. LI -420 (2009-2010

Award No. IO/MUM/A/ 400 /2009-2010

Complainant : Smt. Anuradha Anand Naik
V/s
Respondent : Life Insurance Corporation of India , Goa Divisional Office

---

AWARD DATED 4.3.2010

Shri Anand Laxman Naik had taken 8 Life Insurance Policies from LIC, Goa Divisional Office. Shri Anand Laxman Naik expired on 25.01.2008 due to Metabolic Encephalopathy. LIC of India repudiated the claim as the policies were allowed to lapse for non-payment of premiums. All the policies were revived on 22.01.2008 for the full sum assured on the strength of a Personal Statement regarding health signed by the deceased life assured on 22.01.2008.

LIC of India, however, stated that they have evidence and reasons to believe that the life assured was admitted to hospital on 20.01.2008 with history of unconsciousness, profuse sweating and continuous frotting from mouth. He was also a known case of Diabetes Mellitus and Hypertension. He was admitted in the Intensive Care Unit and was on Ventilator support. They stated that he did not, however, disclose these facts in the said Personal Statement. LIC therefore, repudiated the claim on the ground that the life assured had made deliberate mis-statements and withheld material information regarding his health at the time of reviving the policy

The documents on record have been perused. As per the Medical Attendants Certificate (Claim Form B) and the Certificate of Hospital Treatment dated 24.03.2008, signed by Dr. Promod K. Verma, the Dr. states that Shri Anand Naik was admitted to Vrundavan Hospital, Mapuca, Goa on 20.01.2008 in an unconscious / comatose state. The primary cause of death was Metabolic Encephalopathy and Secondary cause was Diabetes Mellitus. It is also mentioned that he was diabetic since 2-3 years. He expired on 25.01.2008. The Case summary and Death Repoort issued by Dr. Digambar Naik, MD, states that "Patient by name Mr. Anand Naik, 43 years old male was admitted to this hospital on 20.01.2008 at 3.11 A.M. with history of unconsciousness, profuse sweating and continuous frotting from mouth. Patient is known case of Diabetes Mellitus, Hypertension. Patient was admitted to the intensive care unit on Ventilatory support. Patient was managed intensively in the intensive care unit. Despite all intensive management patient expired on 25.01.2008 at 11.45 A.M. due to Metabolic Encephalopathy."

The policies were revived on 22.01.2008 by submitting a Declaration of Good Health. In fact it must be noted that the life assured was admitted in the hospital in an unconscious state and

was in the intensive care unit with ventilator support. However, the policies were revived on 22.01.2008 during hospitalization, that to when he was in the Intensive Care Unit, by declaring state of health as "Good".. The fact that he was admitted in the hospital was not disclosed to the Insurer. However, in the DGH, it was declared that he was in good health. The life assured expired within 3 days of the revival of the policies. The claims were denied.

.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 607 (2009-2010)

Award No. IO/MUM/A/ 303 / 2009-2010

Complainant : Smt. Madhavi Manohar Pejlekar

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 23.12.2009

Miss Megha M. Prejlekar had taken a Bajaj Allianz Century Plus Policy with SA Rs.5.00 lacs with term 10 years and annual premium of Rs.1.00 lac. The DOC was 10.06.2008. Miss Megha M. Prejlekar expired on 05.12.2008 due to Pulmonary Kochs and MCTD (Mixed Connective Tissue Disease). The claim was preferred by her mother, Smt. Madhavi M. Pejlekar. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding her health at the time of effecting the assurance. The basis for such decision was the various investigations and the various medical certificates confirm that the deceased life assured was hospitalized and under AKT since 9 months.

The documents submitted to this Forum have been perused. As per the Discharge Summary of Seth G.S. Medical College and KEM Hospital records, it states that the deceased life assured Miss Megha Pejlekar was admitted on 28.08.2008 and discharged on 31.08.2008. The Diagnosis given states Febrile illness k/c/o MCTD with PTB. The History and Course in Ward mentioned – k/c/o MCTD (Mixed Connective Tissue Disease) with PTB (Pulmonary Tuberculosis) and had completed 9 months of AKT with digital Vasculopathy. The Medical Certificate of Cause of Death mentions cause of death as Pulm. Koch and MCTD with PTB with interval between onset and death of approximate 1 year.

As per the above evidence, there is no doubt that the DLA was suffering from Pulmonary Kochs with MCTD and had undergone AKT. She was suffering from the said ailments prior to issuance of the policy, which she did not disclose in the proposal form. The Insurer repudiated the claim on the grounds of non-disclosure of material facts.

However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable. There is a part of the premium used for risk cover and a part of premium used for investment. It would be fair to refund the fund value acquired as on the date of intimation of

death of the Life Assured as the policy has a component of investment in addition to risk cover. In the facts and circumstances, the fund value was to be paid to the claimant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 612 (2009-2010)

Award No. IO/MUM/A/ 320 / 2009-2010

Complainant : Smt. Tanu Bhimrao Kamble

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 12.01.2010

Shri Bhimrao Ramchandra Kamble had taken a Bajaj Allianz Unit Gain Policy. The SA was Rs. 1.00 lac for 10 years. The annual premium was Rs.10, 000/- .Shri Bhimrao Ramchandra Kamble expired on 29.03.2009 due to Cardio Respiratory Failure with Ischemic Heart Disease with Hypertension with Diabetes Mellitus. The Insurer repudiated the claim vide their letter dated 29.04.2009 on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance.

The documents submitted to this Forum have been perused. As per the Record of Jaslok Hospital dated 18.01.2004, the history mentioned was k/c/o IHD – Operated for CABG 2 yrs back The history sheet mentioned k/c/o DM & HT – 8 yrs on Rx. H/o fever and IHD & cellulites. Pt. k/c/o DM / HT / IHD and CABG - 2 yrs. back. The Medical Attendant Certificate signed by Dr. A.R. Undre states that the Primary cause of death as Cardio Respiratory Failure. The secondary cause of death – Ischemic Heart Disease and the details of illness mentioned as Hypertension and diabetes. The date of first consultation was 18.01.2004 for Cellulites Lt. Leg

As per the above evidence, there is no doubt that the DLA was suffering from the above ailments prior to issuance of the policy, which he did not disclose in the proposal form.

However, the Insurance Company's decision of forfeiting the full premium may be technically correct in view of the declaration signed by the proposer but neither it is neither fair nor reasonable. The deceased life assured had paid 3 annual premiums. It would be fair to refund the fund value acquired as on the date of intimation of death of the Life Assured as the policy has a component of investment in addition to risk cover.

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

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI -674 (2009-2010

Award No. IO/MUM/A/ 324 /2009 - 2010

Complainant : Smt. Manju Hiralal Jaiswal

V/s

Respondent : Life Insurance Corporation of India , Mumbai Divisional Office IV

AWARD DATED 13.01.2010.

Shri Hiralal Jaiswal had taken a Policy from Life Insurance Corporation of India, under Mumbai Divisional Office IV with SA Rs.1.00 lac. The DOC was 28.7.1997. The date of revival was 20.4.2007. Shri Hiralal Jaiswal expired on 27.01.2009 due to Terminal Cardio Respiratory Arrest due to encephalopathy in a case of chronic kidney disease with chronic inflammatory demyelinating polyradiculon neuropathy. . The claim was preferred by his wife Smt. Manju Jaiswal. Life Insurance Corporation of India repudiated the claim vide their letter dated 31.08.2009 for non disclosure of material facts. The policy was allowed to lapse for non-payment of premium due 28.01.2005. The policy was revived for the full sum assured on the strength of a Declaration of Good Health (DGH) dated 19.04.2007. LIC treated the revival as null & void, the first unpaid premium was treated as 01/2005 and therefore the Insurer entertained the claim for the paid-up value under the policy for Rs.17,500/- and vested bonus for Rs.41,900/- from which Survival Benefit dated 7/2007 of Rs.20,000/- was to be recovered. During the hearing the complainant agreed to accept the amount of Rs.39, 400/-. As such the complaint was closed.

MUMBAIU OMBUDSMAN CENTRE

Complaint No. LI- 690 (2009-2010)

Award No. IO/MUM/A/ 394 /2009-2010

Complainant : Smt. Ishwara N. Bohara

V/s

Respondent : Life Insurance Corporation of India, Thane Divisional Office

---

AWARD DATED 26.02.2010

Shri Netrabahadur Danasingh Bhora had taken a life insurance policy from LIC of India, Thane Divisional Office for sum of Rs.50, 000/- under monthly scheme and the date of commencement was from 01.01.2006.

Shri Netrabahadur Danasingh Bhora expired on 14.10.2008 due to Bilateral Extensive Pulmonary Tuberculosis LIC of India, repudiated all liability under the policy on account of the deceased having withheld correct information regarding the health at the time of effecting the assurance.

The Insurer repudiated the claim on the grounds of non disclosure of material facts regarding his health and treatment taken prior to proposal for assurance. The Insurer has provided by way of evidence, hospital case papers of Sub. District Pen No. 122209, dated 20.04.2004 that he was taking treatment for Pulmonary Tuberculosis. He was taking treatment for Cat 1. The National Tuberculosis Control Programme Treatment Card, Pen, shows that he was undergoing treatment for Tuberculosis from 21.09.2004 to April 2005. The Treatment Card from the said Hospital is evidence and proof. These documents prove beyond doubt that the life assured was suffering from Pulmonary Tuberculosis since September, 2004 and was undergoing treatment. He submitted a proposal for insurance on 10.01.2006. However, he did not disclose this important material fact in his proposal form. Had he disclosed this fact, the Insurer would have called for medical reports and their underwriting decision would have depended on the medical reports. Suppression of material facts is evident. The claim was declined.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 172 (2009-2010)
Award No. IO/MUM/A/ 448 /2009-2010
Complainant : Shri Shyamsunder N. Saraf
V/s
Respondent : Bajaj Allianz Life Insurance Company Ltd.

AWARD DATED 30TH MARCH 2010

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

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

taking the FAMILY CARE FIRST plan bearing policy No.0103412213 with date of commencement 16th July, 2008.

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

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

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

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

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

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

Lateral Shift:-

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

The Lateral shift should be made applicable to the present claim lodged by the Complainant in respect of treatment taken by him for Calculus of Kidney and Ureter during the period 22.04.2009 and the claim should paid accordingly. The Forum does not concur with the contention of the Company that HEALTH CARE Policy is different from FAMILY CARE FIRST / CARE FIRST policies in as much as all the 3 policies are basically Health Insurance

policies providing for reimbursement of medical expenses whether in the form of benefits or reimbursements. The basic issue is that all the 3 are Health Insurance policies and the manner of payment of claim under the policies cannot differentiate them since all the products maintain basic characteristics of Health Insurance policy. Hence the Company's decision to repudiate the claim is set aside

MUMBAI OMBUDSMAN CENTRE
Complaint No. LI – 848 (2009-2010)
Award No. IO/MUM/A/ 433 /2009-2010
Complainant : Smt. Manisha Sanjay Daunde
V/s
Respondent : Life Insurance Corporation of India, Pune Division II

AWARD DATED 22.3.2010

Shri Sanjay Arjun Daunde had taken Life Insurance Policy from Life Insurance Corporation of India, Pune Division II. The SA was Rs.50, 000/- with DOC 24.3.2004. The policy lapsed and was revived on 24.11.2006. He expired on 28.01.2007 due to Pulmonary Tuberculosis. Life Insurance Corporation of India repudiated the claim on the ground that the LA made deliberate mis-statement and withheld material information from them regarding his health at the time of Revival of his policy for the full sum assured on the strength of a Personal Statement. LIC stated that they had evidence and reasons to believe to show that before the date of revival the Life Assured had suffered from Pulmonary Tuberculosis with Hepatitis and had consulted medical man and had taken treatment from him. He did not however disclose these facts in his said Personal Statement.

The records submitted to this office pertaining to the case have been scrutinized. In the Medical Attendant's Certificate (Claim Form B) and Certificate of Hospital Treatment (Claim Form B-1) signed by Dr. R.M. Rokade, MD, states that the DLA was admitted to Niramay Clinic, Dist. Solapur on 27.01.2007 with cough, breathlessness and fever and was suffering from the same for the last 5 months. The diagnosis given was Pulmonary Tuberculosis with Infective Hepatitis. He expired on 28.01.2007. Dr. R.M. Rokade has also provided a certificate stating that Shri Sanjay Arjun Daunde was treated for Resistant Pulmonary Tuberculosis with Infective Hepatitis from September 2006 to 28.01.2007. These documents clearly prove that the deceased life assured Shri Sanjay Arjun Daunde was under treatment of Dr. R.M. Rokade, MD, from September 2006 to 28.01.2009 for Pulmonary Tuberculosis with Infective Hepatitis. He suppressed this material information regarding his health while submitting the Personal Statement for revival of his policy on 24.11.2006. He was duty bound to disclose all the information about his health correctly.

From the above facts, it is clear that the deceased life assured suppressed material information and made misstatement regarding his health at the time of revival, thereby denied an opportunity to L.I.C to probe in the matter and take appropriate underwriting decision. The claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 294 (2009-2010)

Award No. IO/MUM/A/ 269 /2009-2010

Complainant : Smt. Shevanti Shantaram Sakpal

V/s

Respondent : Bajaj Allianz Life Insurance Company Ltd.

Award dated 24.11.2009.

Shri Shantaram Chandru Sakpal had taken a Life Insurance Policy from Bajaj Allianz Life Insurance Company Ltd. Shri Shantaram Chandru Sakpal expired on 15.12.2008 due to Hypertension with Diabetes Mellitus with Ischemic Heart Disease with Chronic Renal Failure. The claim was preferred by his wife. The Insurance Company Ltd. repudiated the claim on account of the deceased having withheld material information regarding his health at the time of effecting the assurance. The basis for such decision was that on investigation, the various medical certificates confirm that the deceased life assured was hospitalized and treated during April 2008 and had history of diabetes mellitus, high blood pressure and ischemic heart disease. He was also diagnosed of cholelithiasis and small sized right kidney and was under treatment for the same. These facts were known to the deceased life assured and were not disclosed in the proposal form dated 06.08.2008.

As per the Medical Attendant's Certificate dated 09.02.2009, signed by Dr. Arvind A. Kulkarni of Paramount Medical Services Pvt. Ltd., Panvel, states that the life assured expired on 15.12.2008 at Hospital (Paramount). The primary cause of death was Cardio Respiratory Arrest due to Cerebro Vascular Disease. The Secondary cause of death was due to Hypertension with Diabetes Mellitus with Ischemic Heart Disease with Chronic Renal Failure. The Company has produced case papers of Paramount Medical Services Pvt. Ltd. where it is mentioned that Shri Shantaram C. Sakpal was admitted on 02.04.2008 and discharged on 07.04.2008. He was diagnosed at DM with HT with CRF with Cholelithiasis. In the case papers of the said hospital it has been mentioned that he was admitted IHD in Sion Hospital in 2001. He was also admitted in the same hospital for HT and DM on 25.02.2007.

The Insurer repudiated the claim for the full sum assured on the grounds that the DLA had not disclosed that he was admitted in 2001 for IHD in Sion Hospital and for HT and DM on 25.02.2007. He had also not disclosed his hospitalization in Paramount Hospital during 02.04.2008 to 07.04.2008.

In view of the non disclosure of material facts and on the ground of making mis-statements and withholding material information regarding health of life assured at the time of proposal, the decision of the Insurer to repudiate the claim for the full sum assured is tenable. However, as the policy was a ULIP policy, the Company was asked to find out the Fund Value under the policy. We have received a letter dated 20th November, 2009 from Bajaj Allianz Life

Insurance Company Ltd. informing this Forum that they give their consent for releasing the Fund Value of Rs.34,317/- under the policy.

MUMBAI OMBUDSMAN CENTRE

Complaint No.LI-321 of 2009-2010
Award No.IO/MUM/A/ 275 /2009-2010
Complainant : Jagdish Hariram Mutreja
V/s.
Respondent : Max New York Life Insurance Company Ltd.

AWARD DATED 7.12.2009

Smt. Pooja Jagdish Mutreja had taken a whole life participating insurance Policy from Max New York Life Insurance Company Ltd. The SA was Rs.1.00 lac with annual premium of Rs.2,173. The date of commencement was from 23.8.01

Smt. Pooja Jagdish Mutreja expired on 20.03.2009 due to Cardiac Failure. Shri Jagdish H Hariram Mutreja, Husband and nominee under the policy preferred a claim on 11.05.2009 to the Insurer. The Insurer, repudiated the claim vide their letter dated 23.05.2009 on the grounds that the deceased life assured had withheld material information regarding her health at the time of effecting the assurance and as per the medical records it has been confirmed that late Smt. Pooja Jagdish Mutreja was a known case of Aortic Stenosis since 18 years and underwent valvoplasty for same which is prior to signing the Declaration in the proposal form dated 22.08.2001 for insurance.

The documents submitted have been perused. The dispute between the Insurer and the complainant is the repudiation of claim by the Insurance Company for non-disclosure of material facts regarding the health of the insured. As per the Death Summary, she was admitted to Ruby Hall Clinic on 28.02.2009 with complaints of vomiting, giddiness and fever on & off – 1 year. The clinical diagnosis arrived at was "Aortic Root Abscess". She expired on 20.03.2009. As per the Physical examination sheet of Ruby Hall Clinic dt. 28.02.2009 and the statement of the attending physician completed by Dr. R.B. Gulati of the said clinic, states that Smt. Pooja was a known case of Aortic Stenosis and had also undergone Aortic Valvoplasty 18 years back. The Insurer has repudiated the claim solely on the basis of the diagnosis and history mentioned in the physical examination sheet and the death summary of Ruby Hall Clinic Hospital that the deceased life assured was known case of Aortic Stenosis and had also undergone Aortic Valvoplasty 18 years back.

The policy has been questioned after 7 ½ years of issuance. The duration of the policy from date of commencement to date of death has completed 7 years 6 months and 28 days. As the statutory period of two years had clearly expired when the Insurance Company repudiated the claim, Section 45 of the Insurance Act, 1938 applies in the present case and policy cannot be called in question only on the ground of misstatement. It would be appropriate to make reference to second para of Section 45 of the Insurance Act, 1938, the relevant portion of the section reads as under:

Three conditions for application of 2nd part of Section 45 are –

(d) the statement must be on material matter or must suppress facts which it was material to disclose;
(e) the suppression must be fraudulently made by the policyholder; and
(f) the policy-holder must have known at the time of making the statement that it was false or that it suppressed facts which it was material to disclose.

The repudiation of the claim was solely on the basis of the diagnosis and history mentioned in the physical examination sheet and the death summary of Ruby Hall Clinic Hospital that the deceased life assured was known case of Aortic Stenosis and had also undergone Aortic Valvoplasty 18 years back. The Company has failed to produce any document or medical papers as to when the DLA had undergone Aortic Valvoplasty 18 years back. Max New York Life Insurance Company Ltd. has relied only on the history noted in the hospital papers of Ruby Hall Clinic. No cogent evidence was produced to substantiate their point and thus, thereby, have failed to prove that the life assured had suppressed material facts and Section 45 places the burden of proof on the Insurer and unless the Insurer is able to do so the contract could not be avoided on the ground of alleged misstatements or non-disclosure of facts. The cause of death of the Life Assured was also due to Cardiac Failure due to secondary hemorrhage in Rt plural cavity and not due to Aortic Stenosis. The policy has also completed more than 7½ of the policy term. If the Life Assured was critical she would not have survived such a long term. As such, the benefit of doubt goes in favour of the Complainant.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 341 (2009-2010
Award No.IO/MUM/ 284 /2009-2010
Complainant : Smt. Seetabai Kacharu Awsare
V/s.
Respondent : Life Insurance Corporation of India, Mumbai Divisional Office II

AWARD DATED 9.12.2009

Shri Kacharu Dhondiba Awsare had taken a marriage endowment life insurance policy on his own life from Life Insurance Corporation of India, for SA Rs.50,000/-. The DOC was 30.12.2006. Shri Kacharu Dhondiba Awsare expired on 08.07.2006 due to Pulmonary TB with HIV+ve. Life Insurance Corporation of India repudiated all liability under the policy on the grounds that LA withheld material information regarding his health at the time of effecting the assurance.

The relevant records pertaining to the case have been examined. In the Medical Attendants Certificate, (Claim Form B) dated 02.09.2006 issued by Dr. K.J. Vithal, of Group of T.B. Hospitals (GTB Hospital), the primary cause of death is stated as Pulmonary tuberculosis and the Secondary cause of death is stated as HIV – positive, CRV reactive. To the question "How long has be been suffering from this disease before his death?" – The answer is PTB – 6 years AKT 6 months. To the question "When and for what ailments did you treat the deceased during three years proceeding his last illness? – the Doctor states – He was admitted in Hospital from 27.12.2003 and Discharged on 14.02.2004. PTB with pleural effusion. In the Certificate of Hospital Treatment (Claim Form B-1) dated 02.09.2006, signed by the Medical Officer of GTB

Hospital, the DLA was admitted on 17.06.2005. He expired on 08.07.2006. The history of the disease mentioned - PTB 3 years back. AKT 6 months. alternate day P-Cat -1 from Dharavi T.B. clinic. Cat-II March 2002 completed in November, 2002 from Dharavi. This history was reported by the patient himself. The diagnosis arrived at the hospital was Pulmonary TB with Pleural Effusion. PTB with RV Reactive (HIV+ve). These facts are also mentioned in the case papers of the hospital.

It is evident from the medical records that the deceased life assured had suffered from Pulmonary T.B. before he proposed for insurance and had taken medical treatment on various occasion for the same. He did not disclose this in the proposal form, instead he gave false answers to the relevant question in the proposal form. Had he disclosed the correct history of his illness, LIC would have called for relevant questionnaire form, X-ray and other pathological reports and would have taken appropriate decision in acceptance or rejection of the risk. The claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 362(2009-2010)

Award No. IO/MUM/A/ 424 / 2009-2010

Complainant : Smt. Neerabai V. Awasare

V/s

Respondent : LIC of India, Pune Divisional Office II

AWARD DATED 17.03.2010

Shri Vitthal Nathuram Awasare had taken 2 Life Insurance Policies from LIC of India for sum assured Rs.1.00 lac and Rs.50,000/-. The date of commencement was from 8.8.06 and 25.3.07 respectively. He expired on 29.06.2008 due to Acute Respiratory Distress Syndrome. The Insurer repudiated the claim on account of the deceased having suppressed material information regarding his health at the time of effecting the assurance.

LIC of India, stated that they had evidence and reasons to believe that before he proposed for the above policies, he had suffered from Diabetes and Hypertension for which he consulted medical man and taken treatment from him in the hospital. These facts were not disclosed at the time of proposal.

The documents submitted to this Forum have been perused. As per the Medical Certification of Cause of Death, the immediate cause of death is mentioned as "Acute Respiratory Distress Syndrome". The antecedent cause is mentioned as "Cardiogenic shock, Acute Myocardial Infarction". The Significant conditions contributing to the death is mentioned as "Hypertension, Diabetes Mellitus". As per the Medical Attendant Certificate signed by Dr. Suhas Hardas, MD, Consultant & Interventional Cardiologist, states that the Primary cause of death as "ARDS". The Secondary cause as "Cardiogenic Shock, AMI, DM, HTN" To the question – What other disease or illness preceded The answer was stated as " DM, HTN – 3 years" As per the case papers of Poona Hospital & Research Centre the Past History mentioned was – DM, HTN – 3 years. As per Certificate of Hospital Treatment, the DLA was admitted in

Poone Hospital from 28.06.2008 to 29.06.2008. A Certificate dated 27.11.2008 was issued by Dr. Sanjay P. Kshirsagar, BAMS stating that the DLA was under his treatment regularly and was a known patient of Hypertension detected 2-3 years back. He was Treated on Tab Stamilo 5 mg and Diabetes Mellitus was detected one year back, and was treated on Tab Calycomel 500 - 1 OD (once a day).

As per the above evidence, there is no doubt that the DLA was suffering from the above ailments prior to issuance of the policies, which he did not disclose in the proposal form. The claims were denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 643 (2009-2010)
Award No. IO/MUM/A/ 344 (2009-2010)
Complainant : Smt. Pushpa Rajabhau Thite
V/s
Respondent : ICICI Prudential Life Insurance Co. Ltd.

.

AWARD DATED 25.01.2010.

Shri Rajabhau Devram Thite had taken a Life Time Gold Policy from ICICI Prudential Life Insurance Company Ltd. with SA Rs.5.00 lacs. The term of policy was for 10 years. With annual premium of Rs.1.00 lac. The DOC was from 14.1.2008.

Shri Rajabhau Devram Thite expired on 22.01.2009 due to Bilateral Lobar Pneumonia with Septicemia in case of Retroviral disease. The claim was preferred by his wife Smt. Pushpa Rajabhau Thite, which was . repudiated by the Company on account of the deceased having suppressed material information regarding his previous illness at the time of effecting the assurance.

The Insurer stated that they hold evidence and reasons to believe that the deceased life assured was a known case of Retro Viral Disease and Tuberculosis since September 2006 and was receiving Anti Retro Viral and Anti Tuberculosis Treatment. Further the life assured had availed continuous leave on medical grounds from September 25, 2006 to February 24, 2007. This medical history which was prior to the proposal was not disclosed in the proposal for insurance.

The documents submitted to this office have been perused. As per the Consultation note dated 28.09.2006 from Dr. Shashank Joshi, Consultant Endocrinologist the History stated is Retroviral, CD4-159. Advice to start Anti Koch Treatment and start Anti Retroviral after 15 days – new regime. The Consultation note dated 14.10.2006 from Dr. Vrinda Nayak, MD, states Mr. Rajabhai Thite is diagnosed as a case of Pulmonary Tuberculosis and has been put on Anti Retrovial treatment as per accompanying prescription. The consultation note dated 05.02.2007 from Dr. Vrinda Nayak, MD states life assured is under treatment for pulmonary tuberculosis is examined by me today. He is fit to resume duty from February 6, 2007. All the above

consultation papers are prior to proposal and policy issuance. The cause of death certificate dated 22.01.2009 from J.J. Hospital Post Mortem Centre, Mumbai states Provisional cause of death "Bilateral Lobar Pneumonia with Septicemia in case of Retroviral disease. The certification from his employer - The Municipal Co-operative Bank, Mumbai, dated 16.07.2009. shows that he has taken Medical leave from 09.09.2006 to 24.02.2007 (152 days). This leave is prior to proposal and issuance of the policy.

It is observed from the proposal form on record that the deceased life assured did not disclose his ailments and the course of treatment he underwent in the proposal form. The DLA suppressed material information regarding health as is evident from the consultation papers and prescriptions of the Doctors as also the anti Tuberculosis Treatment and Anti Retro Viral Treatment he was undergoing. In view of this, the stand of the Insurance Company for payment of the full sum assured is tenable.

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

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 700 (2009-2010
Award No. IO/MUM/A/ 395 /2009-2010
Complainant : Smt. Chanda Rajan Dhankar
V/s
Respondent : Life Insurance Corporation of India , Thane Divisional Office

---

AWARD DATED 26.03.2010

Shri Rajan Kalidas Dhankar had taken a Life Insurance Policies from LIC. Shri Rajan Kalidas Dhankar expired on 10.07.2007 due to Carcinoma of Penis. Smt. Chanda Rajan Dhankar, preferred the claim. LIC repudiated the claim as they had undisputable proof to show that the Life Assured suffered from Carcinoma of Penis before the date of risk for which he had consulted medical men and had taken treatment from a hospital. These facts were not disclosed at the time of proposal.

Under Policy No. 920615449 the claim was entertained only for the paid-up value secured for an amount of Rs.775/- with Bonus of Rs.33,025 amounting to Rs.33,800/-. The

Insurer denied the full claim under this policy as the policy lapsed on 2/2006 and was revived on 20.04.2007.

Under Policy No. 923464088 the risk cover was from 15.11.2005. The Insurer has produced evidence as proof showing that the DLA was admitted to Sai Deep Hospital from 02.08.2005 to 03.08.2005 with diagnosis as Carcinoma Penis. This hospitalization was not disclosed in the proposal form dated 29.12.2005. This proves beyond doubt that the deceased life assured was hospitalized prior to proposal The claim was denied.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI – 795(2009-2010)

Award No. IO/MUM/A/ 389 / 2009-2010

Complainant : Shri Prakash R. Soni

V/s

Respondent : LIC of India, Mumbai Divisional Office I

AWARD DATED 25.2.2010

Shri Jayantilal R. Soni had taken a policy from LIC of India, under Mumbai Divisional Office I. The SA was Rs.50,000/- under Plan 180-10 (Money Plus). The DOC was from 11.7.2007. The date of death was on 25.01.2009due to railway accident. The Insurer repudiated the claim on account of the deceased having with held correct information regarding his health at the time of effecting the **assurance.** He had met with an accident earlier and got his left leg amputated up to knee and 4 toes of his right leg were also amputated. He did not however, disclose these facts in his proposal form

Shri Prakash R. Soni the complainant agreed that the toes of his brother's left foot was amputated and his right foot his big toe was amputated in 1987 due to some accident. However, since the policy was a Money Plus Policy, the Company was ready to settle the claim by paying an amount of Rs.16,350/- as the Surrender Value of the Fund Value under the policy as on the date of intimation of death. The complainant Shri Prakash R. Soni has given his consent to this settlement by the Company. As there was mutual agreement, the complaint was closed at this Forum.

MUMBAI OMBUDSMAN CENTRE

Complaint No. LI - 840 of 2009-2010

Award No. IO/MUM/A/ 449/2009-2010

Complainant : Smt. Vanitha D. Phaste
V/s.
Respondent : The Life Insurance Corporation of India, Mumbai Division II.

AWARD DATED 29.3.2010

Shri Dilip Ramchandra Phaste had taken a life insurance policy from LIC of India, Mumbai Divisional Office II. The SA was Rs.50,000/-. The DOC was from 8.3.2006. He expired on 30.09.2006 due to High Fever and Convulsions. LIC of India, repudiated all liability under the policy on account of the deceased having withheld material information regarding age at the time of effecting the assurance. The basis for such decision was at the time of proposals for assurance dated 08.03.2006 signed by the life assured, in answer to question No.2 requiring him to give his age nearer birthday, he gave it as 42 years instead of 56 years.

Smt. Vanitha Phaste was asked to submit age proof of her two brothers-in-law and sisters-in law. She was also asked to submit age proof of her mother-in-law. The same should be submitted to this Forum within 7 days.

Let us examine the documents submitted as regards to the age of the deceased life assured. As per the proposal form dated 08.03.2006, his Date of Birth stated in the form is 10.01.1964 and age at entry is given as 42 years. The basis of admitting the age was a self declaration submitted by the deceased life assured which has been corroborated by the Agent. The Agent has countersigned the Declaration stating that age proof was not available and that the proposer was 42 years old. However, as per the Election Card the age admitted as on 01.01.1998 is shown as 48 years. This shows that the deceased life assured was 56 years of age as on date of proposal and there was a difference of 14 years, thus, an understatement of age. The contention of the insurer was, had he stated his correct age, they would have called for special medical reports and the underwriting decision would have been different as also the premium charged under the policy would have been higher had they accepted the proposal.

According to the insurer, as the policy was an early claim, investigations were carried out by the insurer As per the Confidential Claim Enquiry Report dated 05.06.2007 signed by Shri S.B. Badhan, ABM(S), Bhayander Branch of LIC of India, to the question in the claim enquiry report - The age of assured at the time of proposal. Whether there has been any understatement of age – his answer was "Nearly 38 years". In the said Report he also stated that the life assured died on 30.09.2006 due to fever with convulsions at his village Tol B II, Badruk, Tal – Mahad Raigad. As per the enquiry from relatives and neighbors, the DLA was healthy and not having any bad habits. Also DLA was working in a Diamond Industry from last 10-15 years. He was staying at Bhayander with his brother-in-law and used to visit his native place in Mahad Tahsil in Raigad District. They stated that the DLA died due to high fever suddenly. In the month of September 2006 he visited his native place and suddenly he got high fever. But as it was late in the evening no medical facility was available at the village and he could not get any treatment immediately. Before a Doctor could arrive from Dasgaon, the LA died. Another Confidential Claim Enquiry Report dated 25,09,2007 completed by Shri S. U Nadkarni, ABM (S) of 937 Branch under Mumbai Division II of LIC of India, to the question - The age of assured at the time of proposal. Whether there has been any understatement of age? – His answer was "42 years. No apparent understatement of age". He has also mentioned "No past history of any illness was reported. The L.A. reportedly died due to sudden onset of high fever while he was at

his native place". These enquiries have been carried out by the Company's personnel. These reports state that there was no apparent understatement of age by the deceased life assured.

From the documents and facts of the case produced at this Forum, the material facts are contradicting in nature. LIC of India cannot be faulted for repudiating the claim under the policy for the full sum assured as there is contradicting evidence as to the actual age of the deceased life assured. However, looking to the facts and circumstances and the socio economic background of the complainant, an ex-gratia payment of Rs.10,000/- is awarded in this case.

,