

BHUBANESWAR

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-002-1302 S.B.

Sri Santosh Ku. Sahu Vs. SBI Life Ins. Co. Ltd.

Award dated 18th April, 2011

FACT:-

The Complainant had taken the Money Back insurance plan bearing number 14003079003 from the O.P. for Sum Assured of Rs.1,00,000/- with the policy commencing from 28.05.2005. The premium on the policy is made payable annually for a period of 20 years. As per the terms of the policy first survival benefit was due for payment on 28.05.2009. In spite of regular deposit of the premium by him, the first survival benefit is not paid to him even after several approaches made by him to different authorities of SBI Life Insurance Co. including its grievance cell. Having thus lost his faith on the O.P., he has prayed for issue of a direction to the O.P. to give payment of the 1st survival benefit of Rs.10,000/- to him and to refund his entire deposited amount with interest to him. It would be relevant to mention here that in spite of reminders the Complainant has chosen not to furnish information in Form No.P-II. Nor has he communicated his choice in Form No.-P-III. However, in the Self-Contained Note, it is stated by the O.P. that the survival benefit amount of Rs.10,000/- was sent to the complainant vide their cheque No.498595 in March'2009. However, due to similarity in name, the cheque was wrongly delivered to another person bearing the same name, i.e., Mr. Santosh Kumar Sahu. When the fact was brought to its knowledge on 23.04.2010, it once again issued a fresh cheque No.486056 on 10.05.2010 for Rs.10,756/- comprising of Rs.10000/- towards survival benefit and Rs.756/- towards delayed interest by Speed Post No.EM244096161IN and it has got itself confirmed that Mr. Sahu received the cheque on 20.05.2010 at Bhawanipatna. As regards refund of the deposited amount, it is stated by the O.P. that as per the terms and conditions of the policy refund of the entire deposited amount is not allowable. It is finally contended that Survival Benefit and penal interest for delayed settlement of the Survival Benefit having been paid and refund of entire deposited amount being not permissible as per the contract of insurance, the Complaint may be dismissed.

AWARD:-

The Hon'ble Ombudsman observed that during hearing, O.P.'s representative submits the same facts as are stated in the SCN. It is also submitted by the O.P.'s representative that the Complainant has also acknowledged the receipt of the Cheque for Rs.10,756/- by him. A xerox copy of such acknowledgement showing receipt of the cheque for Rs.10,756/- by Sri Santosh Kumar Sahu, the Complainant, on 02.02.2011, is filed. The above facts remain unchallenged as the Complainant has not come forward to raise any dispute on any of the above aspects. Thus, it is clear that the Complainant has received the SB amount due to him as well as the interest for the delayed payment of the SB amount to him. No dispute having also been raised on the correctness of the amount paid to the Complainant, it has to be concluded that the amounts due have been paid to the Complainant both towards survival benefit and towards interest for delayed payment of the survival benefit. Therefore, the grievance of the Complainant in this regard does not any more survive to be removed.

As regards to the Complainant's further prayer of asking of refund of his entire amount deposited by him obviously towards the annual premiums, the observation made by the Hon'ble Ombudsman was that the policy does not contain any condition which enables the policyholder to ask for refund of the entire deposit at any time beyond the free-look period. Therefore, the prayer for refund of the deposit is not entertainable. In the circumstances, the Complaint petition deserves to be dismissed.

BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1303 S.B.

Sri Ajit Kumar Jena Vs. Life Ins. Corporation of India

Award dated 29th April, 2011

FACT:-

The Complainant had taken the Money Back insurance policy of insurance from the O.P.- Insurer bearing number 431293434 through its Jhargram Branch under Kharagpur Division. Subsequent to the commencement of the policy, he got his policy transferred on 18.11.2009 to O.P.'s Jaleswar Branch under Cuttack Division where it is now being serviced. One Survival Benefit of Rs.7500/- was due for payment to him on the policy on 28.11.2009. In spite of his several letters addressed to the above transferor and transferee branches, the Survival Benefit amount is not received by him. Hence, the Complaint. The O.P. in its Self Contained note has stated that while the policy of the Complainant was being serviced under its Jhargram Branch, the Survival Benefit amount due on 28.11.2009 was sent to the Complainant by cheque bearing No.189904 dated 5.11.2009 for Rs.7500/-. Later on the Complainant intimated to their Jaleswar Branch that the cheque issued by its Jhargram Branch had gone stale. After compliance of requirements by the Complainant, its Jhargram Branch issued again a fresh cheque vide cheque No.17420 dated 30.09.2010 for Rs.7500/- and dispatched the same to the Complainant in his furnished address by Speed Post No.EWS 56280911 ON 05.10.2010. With the above contention, it asks for closing the case.

AWARD:-

The Hon'ble Ombudsman observed that during hearing the O.P.'s representative submits that the Survival Benefit Cheque for Rs.7,500/- was sent twice by the previous servicing Branch of the policy i.e., Jhargram Branch and on both the occasions the cheque returned undelivered. Subsequently, after the policy was received on transfer at Jaleswar Branch, another cheque for the same amount due on Nov.'09 was sent to the Complainant towards full satisfaction of his claim. He submits that on 22.01.2011, the Complainant has received the SB Claim in person from its Jaleswar Branch Office. He further submits that the Complainant has also acknowledged receipt of the cheque in writing through a letter addressed to the Branch Manager, Jaleswar Branch Office. During the hearing, he files a letter mentioning therein about receipt of the amount by the Complainant along with the Xerox copy of the acknowledgement letter of the Complainant. The Complainant, though noticed, has not preferred to attend the hearing. The materials thus made available go to show that the Complainant has already received his Survival Benefit amount of Rs.7500/- due for November 2009 on his policy. Thus, the grievance of the Complainant no longer survives and hence. the Complainant is dismissed.

BHUBANESWAR OMBUDSMAN CENTRE

COMPLAINT NO- 24-001-1372 S.B.

Sri Nirmal Prasad Sahoo Vs. L.I.C. of india, Titlagarh B.O.

Award Dated 28th July, 2011

FACT :- This complaint is filed for payment of interest @ 11.5 % on the Survival Benefit (SB) amounts for the period of delay made by the O.P. in payment of the amounts to him.

It is the case of the Complainant that he had taken 3nos. of Money-back Policies of Insurance from the O.P.. and in these policies, S.B. amounting to Rs.40,000/-, Rs.20,000/- &Rs.40,000/- became due to him on 03.01.2010, 15.01.2010 & 28.01.2010. For making payment of the amounts, the Servicing Branch of the O.P. drew up three cheques but inspite of his several approaches, the cheques were not delivered to him. After lapse of a year that is on 22.01.2011, the amounts were credited to his Bank Account. It is stated by the Complainant that mortgaging the above three policies with his Banker, he has availed Cash-Credit loan on which the Bank charged 11.5%interest per annum from him for the period between the dates when the SB amounts became due and the date of their payment. Since for delay in deposit of the SB amounts, he was to pay interest @ 11.5% P.A. to the Bank, he has asked for the interest at the same rate from the O.P. for the period of delay.

In the counter, the O.P. while admitting the fact of the S.B. claim amounts becoming due on the three policies for payment on the dates as mentioned in the Complaint, has taken the stand that since the policies were absolutely assigned to Indian Overseas Bank valid discharge Form and original Policy Bond were necessary for effecting payment of S.B. amounts due to the Complainant. But in spite of several letters & reminders issued on 31.12.2009, 05.01.2010, 10.02.2010& 23.03.2010 to the IOB these were not submitted to it for which the claim could not be settled earlier. All papers were received by it on 30.10.2010 whereafter the claims were settled and the amounts were sent to the assignee Bank towards payment of the S.B. amounts. It is stated by the OP that it is not at all responsible for the delay in settlement of the claim.

AWARD :- Hon'ble Ombudsman observed that out of the three policies only one is in the Complainant's name and the other are in the name of his family members and hence the grievance in respect of the Complainant's policy only is to be considered. As regards this policy, the payment of the S.B. amount which became due on 03.01.2010 was paid on 22.01.2011. The O.P. has advanced the contention that delay in payment has occurred due to the assignee Bank not furnishing the discharge voucher and original policy bond. The policy bond does not contain any stipulation making submission of a discharge voucher and original policy bond a condition precedent for payment of the SB amount. As per its Claims Manual, in order to ensure speedier settlement of claim but subject to fulfillment of other procedural requirement, if there be any, submission of policy bond and discharge voucher is not to be insisted upon. In the letter dated

31.12.2009 addressed to the Manager, IOB, by the servicing Branch of the O.P. wherein intimation of the S.B. amount on the policy becoming due on 03.01.2010 was given, the O.P. had neither asked nor indicated the requirement of submission of discharge voucher and policy bond for getting payment of the amount due. Clearly therefore, the blame for the delay in settlement of the SB amount to the Complainant shall have to be shared completely by the O.P. Even after receipt of the policy documents on 30.10.2010, more than three months' time was further taken to effect the payment. In the circumstances, the O.P. was clearly responsible for delay in payment of SB amount to the policyholder. Hence, Hon'ble Ombudsman directed the O.P. to pay interest @8% per annum on the S.B. amount of Rs.40,000/- to the Complainant for the period from 03.01.2010 to 21.01.2011.
