

CHENNAI

MATURITY

Complaint no-24.013.2274

Mr.S.Venkataramani vs AVIVA LIC Ltd

The insured is the complainant in the case of Mrs.V.Rajeswari vs AVIVA and the issue is the same in both the cases. The complaint was also heard together.

Award no-IO(CHN)L-027/2010-11 dt12 TH Nov 2010.

The issue in respect of this complaint is the same as mentioned in the complaint no 24.013.2275/2010-11 of MRS .V.Rajeswari.The insured Mr.S.Venkataramani husband of Mrs.V.Rajeswari represented both the cases. In this case also the complainant had taken Pension Plus Policy for an annual premium of rs1,65,000/- for a term of 5 years commencing on 30.08.2004.He requested the insurer for full refund of maturity amount vide his letter dated 30.10.2009 and the insurer quoting policy condition have offered to consider (i)100%towards the purchase annuity;(ii)Upto 1/3 towards cash lump sum and balance towards purchase of an annuity on own life or jointly with spouse. The details of Award mentioned in the case of Mrs. .V.Rajeswari are applicable here also. In this case the insurer is directed to settle the maturity value of the policy rs 4,88,240/-in full and final settlement under the policy.

MATURITY

Complaint no-24.013.2275

Smt.V.Rajeswari vs AVIVA LIC.ltd.

The complainant H/O of Mrs.V.Rajeswari had stated that she had taken a pension plus Unit Linked Policy for 5 years and it matured on 30.08.2009 and this policy does not include any clause for nonpayment of entire maturity amount. The complainant had also pointed out that the policy holder can cash in his/her policy at any time after 2 years. The insurer denied the claim stating that the following options are given on maturity.

(1) 100%towards purchase of an annuity (on his own life or jointly with his spouse) with the company or any other Indian insurance company.

(2) Up to one third towards cash lump sum and the balance towards the purchase of an annuity with the company or any other Indian Insurance Company. The main benefit of the pension plus policy is to provide pension after maturity of the policy. Hence they are unable to refund the full amount of his policy as their product and process does not allow them to do the same.

Award no-IO(CHN)L-028/2010-11 dt. 12th Nov 2010

The complainant had taken Unit linked Pension Plus Policy with a regular premium of rs1,35,000/-from 30.08.2004 for a term of 5 years. Under the special features of pension Plus scheme referred above in bold it is stated –Age group between 18-65 can opt for pension scheme. At maturity have the opportunities to take 33%of amount and rest annuity. You can cash in your policy at any time after 2 years. the complainant contends that the special features of the plan given to him allows cash in of the policy at any time after 2 years from the issue and he was never told that cash in of the policy is allowed only before maturity date. She further stated that she was never asked to exercise the options for annuity before date of maturity. The insurer contends that the proposer had signed the proposal form after going through the key features and other related documents of the policy. The policy holder has paid two premiums under the policy and thereafter the policy got matured on 30.08.2009. When the complainant requested for refund of amount on maturity the insurer replied stating that as per terms and conditions of the policy only 1/3rd amount to be refunded and rest of the 2/3rd is towards the purchase of an annuity. The surrender of the policy during the term of the policy is clearly set out under Article 8 of Terms and conditions of the brochure issued by the insurer quoting special features, one such feature being “you can cash in your policy at any time after 2 years is misleading in the sense that it does not stipulate that encashment should be before date of maturity or only surrender value is payable in such cases. The complainant in the present case stated that she was not informed about any of the provisions available before the date of maturity. From the various records it is observed that the insurance company has not intimated the policy holder the various provisions available before the date of maturity of the policy. Likewise the policy holder also should have made her request for surrender of the policy before date of maturity. Taking all factors into account the insurer is directed to settle maturity value of the policy Rs 3,74,062/-.

The complaint is allowed.

MATURITY--

Complaint no-22.012474.

Mr .R.A.Sreenivasulu vs LIC.

The complainant had taken JEEVAN SARITHA Plan both in his name and his wife's name jointly under SSS and the policies matured on 01.08.2010. The commencement date of the policy was 01.08.1992. He had received discharge voucher on 12.06.2010 for 1/3 of the sum insured for rs7,500/- as he had subscribed for 5 units @7,500/- totaling 37,500/- But in the policy bond received by the insured the SI has been mentioned as rs75,000/- Hence LA had not accepted the discharge voucher and demanded that SI should be treated as rs75,000/- since policy has been issued for this amount. LIC has mentioned that typing error has been committed while issuing the policy and the premium has been calculated on the basis of 5 units @7,500/- total rs37,500/-

The zonal office of the insurer had also offered to collect the difference in premium and sanction the balance amount of annuity by waiving the interest of premium. The LA was insisting for settlement of claim without collecting any difference of premium for the SA of rs75,000/- as per policy bond.

Award no-IO(CHN)/L-048/2010-11 dt28th Feb 2011.

The complainant had taken Jeevan Saritha policy from LIC commencing from 01.08.1992. As per the schedule printed in the policy the sum assured under the policy is rs75,000/- and the instalment premium is 116/- per month and the policy term is 18 years. The date of maturity is 1.08.2010. The insurer had sent advanced discharge voucher mentioning the basic amount payable as rs12,500/- Again the insured was reminded to submit the policy bond for correction informing that he had subscribed only for 5 units which corresponds to rs37,500/- at rs7,500/- per unit and that in the policy bond sum assured has been wrongly typed as rs75,000/-. But LA has insisted that the amount should be settled by taking the sum insured as rs75,000/-. The Regional Manager of the Insurer has also sent a letter expressing apology for the mistake in the policy and also stated that as a special case to ensure that the sum insured under the policy is treated rs75,000/- he requested the insured to pay only the extra premium and waived interest. But LA did not agree for this and insisted that the claim should be settled without collecting additional premium.

In the proposal form the insured has mentioned in the sum proposed column-5 units and he has deposited a sum of rs339/ on 30.07.1992 and balance rs9/- on 29.09.1992 towards the first premium under the policy. The first premium receipt also showed the sum assured as rs75,000/-. The insurer has also produced circular which confirms that the above policy will be issued each unit to be reckoned as equivalent to a sum assured of rs 7,500/-. Based on the calculation a premium of rs116/- pm collected corresponds to sum assured of rs37,500/-. The complainant in his proposal has requested for sum assured 5 units and the consideration amount paid by him is for 5 units only. The complainant having paid consideration amount for

5 units cannot expect the other party to pay the benefits for 10 units. Hence the insurance company cannot be penalized for the mistake that has crept in unintentionally and further no less a person than RM has apologized for the mistake and was gracious enough to waive the interest amounting to rs 29,108/-if the LA was willing to accept the sum assured of rs75,000/-. Considering all aspects the insurer is fully justified in settling the benefits under the policy by treating the sum assured as rs37,500/-.

The complaint is dismissed.

DELHI

**Case No.LI-ICICI Pru/30/10
In the matter of Shri Waryam Singh Malhotra
Vs
ICICI Prudential Life Insurance Company Limited**

AWARD dated 13.10.2010 - Non- payment of maturity amount.

1. This is a complaint filed by Shri Waryam Singh Malhotra (herein after referred to as the complainant) against the decision of ICICI Prudential Life Insurance Co. Ltd (herein after referred to as respondent Insurance Company) for non- payment of maturity amount.
2. Complainant submitted that he had taken a policy bearing no. 00091902 and had paid a sum of Rs.50,000/-. The policy matured on 24.08.2006 and the value as on 10.07.2006 was Rs.59,384/-. It has been requested by him that he is already a pensioner of bank and he is not keeping good health. He is of advanced age. He is not interested in the pension. It has been submitted by him that his request given to the Insurance Company for making full payment, had not so far acted upon so far.
3. Detailed written reply of the Insurance Company is placed on record wherein it has been stated that as per terms and conditions of the policy, the policy holder was suppose to respond to the Insurance company for giving options for pension. It had been mentioned that the policy no. 00091902 got matured on 24.08.2006 and this fact was intimated to the policy holder repeatedly on 10.07.2006, 03.10.2007, 10.06.2008 & 24.09.2009 but the policy holder did not respond to the Insurance Company's letters. Instead of replying to the Insurance Company and submitting reply, the complainant had made a complaint with the Ombudsman. It had been stated on behalf of the Insurance Company that since option was not received from the policy holder, it cannot pay the pension. Moreover, payment has to be made in terms of policy. It has been further stated in the reply that as per terms and conditions of the policy bearing no. 00091902, the complainant could not be paid the maturity value in lump sum.
4. I have considered the submissions of the complainant very carefully. I have also perused the reply of the Insurance Company which is placed on record. After due consideration of the

matter, I hold that as per terms and conditions of the policy, the complainant was required to comply with the notices issued by the Insurance Company. The complainant was required to exercise the option with regard to payment of pension, but having due regard to the facts of the case, persistent request of the complainant that he is an old person and is not keeping good health and is already a pensioner, I consider it appropriate to direct the Insurance Company to make payment to the policy holder at one go. Accordingly, Award is passed with a direction to make the payment of maturity value of Rs.61639/- as on 28.09.2007 along with interest at the appropriate rate from 28.09.2007 till the date of actual payment.

5. Copies of the Award to both the parties.

KOCHI

OFFICE OF THE INSURANCE OMBUDSMAN, KOCHI

Complaint No.IO/KCH/LI/24-001-027/2010-11

George Samuel

Vs

LIC of India

AWARD DATED 28.01.2011

The complaint is against the delay in settlement of maturity claim. The case of the complainant is that, inspite of maturity of the policy under Endowment plan, the insurer had not paid the maturity amount. Recovery of 5 monthly premiums is also claimed. The respondent-insurer would contend that as the complainant failed to produce the original policy document, he was advised to submit duly notarized indemnity bond. The complainant failed to comply with the direction and, therefore, the claim could not be settled. Complainant remained absent. The respondent-insurer was heard.

The sum assured is Rs.50,000/-. The life assured had questioned the deduction of 5 monthly premiums by the insurer from the maturity amount. On verification of the documents available, it was found that the complainant is entitled to receive 3 instalment premiums recovered by the

insurer. The life assured is directed to furnish duly notarized letter of indemnity to consider payment of maturity amount by the insurer.

KOLKATA

OFFICE OF THE INSURANCE OMBUDSMAN, KOLKATA

RECOMMENDATION IN THE MATTER OF

Complaint No. : 275/24/001/L/05/2010-11

Nature of Complaint : Non-payment of maturity claim

Category under RPG : 12 (1) (e)

Rules 1998.

Policy Nos. : 550640396

Name & Address of complainant : Shri Nawal Kishore Agarwal,
191, Bangur Avenue, Block – B,
2nd Floor,
Kolkata – 700 055.

Name & Address of Insurer. : Life Insurance Corporation of India,
Hazaribagh D.O., Jeevan Prakash,
Julu Park, Holy Cross Road,
Hazaribagh – 825 301.

Date of Hearing : 19.11.2010

4. Hearing & Decision :

Both the parties were called for hearing on 19/11/2010. The complainant attended and submitted that the claim is pending for a very long period and the Insurer should be directed to settle the claim along with interest and compensation. The representative of the Insurance company was not present but they have filed a letter wherein they have stated that *“This death claim case arised before introduction of computer in organization and on the other hand,*

Nominee intimated and submitted the claim form on 14.02.2008. It being a time barred case taking some time to take decision in the Divisional Office. Intimation regarding decision at Divisional Office (Standing Committee) will be intimated to claimant within 15 days under intimation to you.”

Since the Insurer has initiated action to settle the claim, we refer the matter back to them with the direction to complete their action within 15 days and pay the claim with due penal interest as per their policy conditions.

(MANIKA DATTA)
INSURANCE OMBUDSMAN

**OFFICE OF THE INSURANCE OMBUDSMAN,
29, N.S. ROAD, KOLKATA**

AWARD IN THE MATTER OF

Complaint No. : 1068/24/001/L/01/2010-11

Nature of Complaint : Non-payment of maturity claim.

Category under RPG : 12 (1) (e)
Rules, 1998.

Policy No. : 033743620

Name & Address of : Smt. Arati Bose,
complainant 87/1, Nischinda,
P.O. Ghoshpara, Bally,
District: Howrah,

Pin: 711 227.

Name & Address of Insurer : Life Insurance Corporation of India,
Howrah D.O., Rallis Building,
16, Hare Street, Kolkata – 700 001

Date of Hearing : 25.03.2011

3. **Hearing** :

Both the parties were called for a hearing on 25/03/2011. The complainant attended and stated before this forum that she has not yet received the claim in respect policy no.033743620. She stated that the policy bond is not available with her. However, she produced a certificate from the employer of her deceased husband which shows that premium has been deducted up to January, 2001.

The representative of the insurance company stated that relevant policy document is not available at their end. Their Uttarpara branch office has informed them that as the case is very old, they are not in a position to confirm whether the claim is settled or not.

4. **Decision** :

We have heard the submissions of both the parties. It is seen that the claim is very old and neither the policy bond is available with the claimant nor the policy document is available with the insurer. The claim is for a very small amount of Rs.3000/- (Sum Insured). In the absence of any document, we allow the claim on ex-gratia basis and direct the insurer to make the payment within 15 days from the receipt of this order.

In result the petition is allowed.

(MANIKA DATTA)

INSURANCE OMBUDSMAN